





## Agents' Travails / Missteps, Dead-Ends — and the Big Break

## How an Epic Inquiry Foiled the Unabomber

By David Johnston  
New York Times Service

SACRAMENTO, California — Patrick Webb cautiously entered Theodore Kaczynski's Montana shack, leading a team of bomb experts. In the gloom, he examined shelves crammed with baby food jars and baking soda cans that were carefully marked with the chemical names of explosives.

Then, in a Quaker Oats box, agents found what they had hoped for: 23 bomb timers, each made from a piece of appliance cord pulled through a wooden plug. They were unique to the Unabomber.

For Mr. Webb, who saw his first Unabomber crime scene in 1982, fresh out of bomb school, and his last in 1995, when he examined the shredded body of Gilbert Murray in a Sacramento office, it was the instant of realization that, after 17 years, the FBI's quest for the serial terrorist had ended. An exultant whoop echoed down the snowy slopes.

Mr. Webb radioed the FBI's forward command post at a nearby sawmill. Jim Freeman, the top agent at the FBI's San Francisco office, and Terry Turchie, the agent in charge of the more than 100 agents on the Unabomber case, rushed to the cabin. Mr. Webb held pieces of wire and other evidence in his hands. Tears streamed down his face. "This is it," he told the two agents. "It's over. This is the guy."

On Monday, Mr. Kaczynski was sentenced to four life terms plus 30 years in prison.

In a series of interviews over the last week in Atlanta, San Francisco and Sacramento, nearly a dozen agents, prosecutors and retired FBI employees also talked for the first time, recalling the details of their work on the 17-year series of terror bombings that killed 3 people and wounded 22.

By the time of Mr. Kaczynski's arrest in the spring of 1996, the bombings had helped change the way Americans travel and how they use the mails. But the epic investigation had also changed the FBI, bringing to law enforcement powerful new tools. Reconstructing the bomber's movements over two decades, agents compiled a database that eventually included nearly a million names; supercomputers searching for patterns split out thousands of names to examine for leads.

But the investigation's missteps and dead-

ends also provided powerful reminders of the importance of old-fashioned persistence. For years, agents dreaded the endless assignment. Computer searches turned up little because agents focused on men 10 years younger than Mr. Kaczynski.

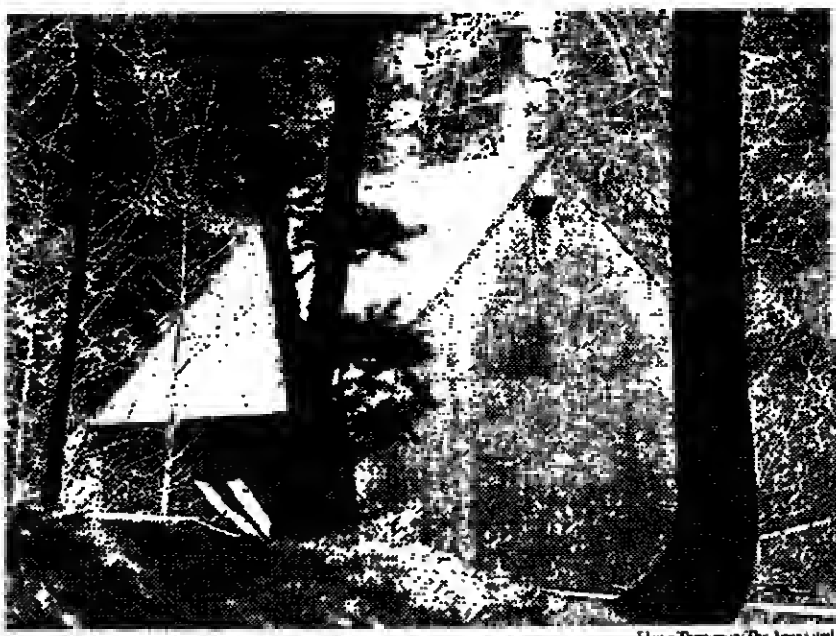
But supercomputers, borrowed at first from the military, created vast banks of possible suspects. In an effort to track the Unabomber as he moved west, from northern Illinois to Utah to California, the computers produced thousands of names of people who had lived in all three areas. Each was studied and eliminated.

Mr. Kaczynski's name was in the database, but the investigators operated on a false assumption: They were correct in looking for a white man, but not in thinking that he must have been in his late teens or 20s when the bombings began. "We felt strongly that his origins were in Chicago and that he gradually moved West," Mr. Freeman said. "How could we know he went to Harvard when he was 16 years old?"

Agents followed leads up hundreds of blind alleys, onto college campuses, into airline offices and public libraries. Behavioral scientists theorized the bomber was a blue-collar loner with a metallurgical background, or a well-educated political militant with a grudge.

IN THE END, the crucial lead came from Mr. Kaczynski's brother, David, a social worker in upstate New York. His wife, Linda Patrick, a professor, became suspicious after the FBI began concentrating on places where Theodore had lived. When they read the Unabomber's bitter anti-technology manifesto in late 1995, they decided to alert authorities.

The role of the Kaczynski family has led to a widespread impression that agents stumbled around in the dark for 16 years until David



After 17 years, Theodore Kaczynski was traced to a one-room cabin near Lincoln, Montana, in 1996. It's over, an FBI agent said. This is the guy.

Kaczynski turned in his brother. But the agents on the case say that impression is wrong. They believe the Kaczynskis would have never come forward had not the New York Times and the Washington Post decided to comply with Mr. Kaczynski's demand to publish his 35,000-word manifesto. Only The Post printed the document, but its publication was jointly sponsored and financed by The Times. Within the FBI, that decision, which the agency had encouraged, was highly controversial, but one that the agents credit with solving the baffling case.

"I believe we took advantage of his mistakes," Mr. Turchie said. "I believe we focused the public. I believe that David responded to that just as we would have hoped, and he called us and he did not say 'my brother is the Unabomber.' He said, 'I saw this set of information, I have this to offer you. Here it is.' And from that point on we did what we're supposed to do."

Mr. Turchie was an unorthodox choice for the job of running the Unabomber investigation. He had started his career as a nonagent support employee, and soon became an agent working in

places like New York on counterespionage cases. He was known as smart, well-organized, persistent and a good team player. "He was a good thinker," Mr. Freeman said. "I didn't want a traditional door-kicking criminal agent."

Agents had come to be wary of a Unabomber assignment. The investigation had sputtered for more than 15 years. Evidence was spread in offices from Chicago to California in files of the FBI, the Bureau of Alcohol, Tobacco and Firearms and the Postal Service. One behavioral scientist argued that one of the early victims was himself the Unabomber. "Everybody had a theory but nobody had a fact," said Donald (Max) Noel, the agent who led a squad that investigated and reinvestigated Unabomber attacks.

Mr. Turchie took over as the case was heating up and the FBI was reorganizing the Unabomber team. In June 1993, after a six-year hiatus, the Unabomber sent mail bombs to the home of Charles Epstein, a geneticist in California, and David Gelfert, a Yale computer science professor, at his office in New Haven, Connecticut.

In December 1994, after more than a year without a bombing, the Unabomber struck again, mailing a lethal bomb to Thomas Mosser, an executive at a public relations firm in North Caldwell, New Jersey. It was the first fatality since the owner of a computer rental store in Sacramento was killed in 1985.

The Mosser killing was followed five months later by another deadly attack in Sacramento, in April 1995, that killed Gilbert Murray. It came five days after the bombing of the Oklahoma City federal building.

The renewed attacks came at a time when the Unabomber was beginning to send agents written material, sometimes taunting them, as in one letter that called the FBI "a joke." But each letter was a potential lead to the bomber's thinking and whereabouts. In June 1995, the Unabomber sent his manifesto to The Times and other publications.

The manifesto "sparked a furious debate," Mr. Mosser said. Efforts to identify libraries that had all of the books cited in the manifesto proved another blind alley. Interpretations and behavioral analyses of the tract had led nowhere. The agents were left with a choice: find a publisher, as the Unabomber demanded, or withhold the manuscript.

"We were elated to get a demand," Mr. Freeman recalled. "At that point we were thinking, 'We're going to catch this guy because he was acting like an extortionist and we almost always catch extortionists.'"

## From the Victims' Families, Rage

By William Booth  
Washington Post Service

SACRAMENTO, California — Before Theodore Kaczynski was formally sentenced to four life terms in prison, his victims confronted him in court with declarations of pain, pleas for vengeance and, for some, a desire to see him executed.

"Lock him so far down that when he dies he will be closer to hell," said Susan Mosser, whose husband's body was ripped open by an exploding package mailed by Mr. Kaczynski.

"May your own eventual death occur as you have lived, in a solitary manner, without compassion or love," said Lois Epstein, whose husband, a pediatric professor, suffered a mangled hand from another bomb.

"The defendant committed unspeakable and monstrous crimes

for which he shows utterly no remorse," Judge Garland Burrell Jr. of U.S. District Court said in handing down the sentence Monday.

Judge Burrell said Mr. Kaczynski still posed a grave danger to society and would mail his bombs again if he could.

The life sentences, with no possibility of release, were part of a plea bargain struck between Mr. Kaczynski and federal prosecutors Jan. 22 after his trial was derailed over confusion about who should represent him in court.

In Monday's proceedings, Mr. Kaczynski, 35, read out a series of complaints against the government, and as he spoke, Connie Murray, wife of Gilbert Murray, a timber executive who was killed by a Kaczynski bomb, walked out. "I walked out because there was nothing he could say that I wanted to hear," she said.

Mr. Kaczynski complained that the government's sentencing

memorandum was "clearly political," containing "false statements, misleading statements."

This referred to excerpts from Mr. Kaczynski's journals. The passages submitted to the court portrayed him not as a principled eco-warrior but as an image that attached to him during the trial — but as a petulant, almost childish murderer who killed to extract "personal revenge" on people who crossed him.

"By discrediting me personally, they hope to discredit my political ideas," he said. "At a later time I expect to respond at length to the sentencing memorandum."

It was unclear whether Mr. Kaczynski was referring to further legal pleadings or whether he planned to issue communiqués from prison. He is barred from receiving payment for his writings, but there remains widespread interest in the Unabomber.



Connie Murray's husband, Gilbert, died in a 1995 bombing.

The Unabomber's brother, David, spoke briefly outside the courtroom. "There are no words to express the sorrow of today's proceedings," he said. "To all of these people, the Kaczynski family offers its deepest apologies."

## TRAVEL UPDATE

## Air France to Fly During Strike

PARIS (AP) — Air France said Tuesday that it could guarantee the majority of its medium-distance flights within France and Europe despite a one-day strike called for Wednesday by three pilots unions.

The airline said that 90 percent of the flights from Roissy-Charles de Gaulle Airport north of Paris would take off, while 70 percent of those from Orly Airport south of Paris would fly. All long distance flights will operate on schedule, it said. The unions represent 14 percent of Air France pilots.

## Germany Advances Magnet Train

BERLIN (AP) — Transportation Minister Matthias Wissmann advanced plans for high-speed, magnetic levitation trains between Berlin and Hamburg, formally establishing Transrapid International, a management and marketing company for the service.

The aim of the 9.8 billion Deutsche mark (\$5.5 billion) project is to link Germany's two biggest cities by 2005 and cut travel time for the 297-kilometer (185-mile) trip by two-thirds, to about an hour.

Officials of Siemens AG, one of the partners in the project, said that construction would start next year.

## Rain Helps Clear Air in Far East

SINGAPORE (Reuters) — Southeast Asia's air quality has improved in the last week as rains have doused forest fires across Indonesia, a regional tourism body said Tuesday.

The ASEAN National Tourism Organizations reported a reduction of haze from smoke in the skies over Brunei, Indonesia, Malaysia and Singapore.

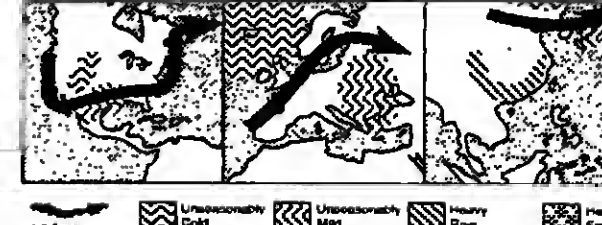
Rain reduced the number of "hot spots" in East Kalimantan, in the Indonesian part of the island of Borneo, to 72 on April 30 from 733 a week earlier, said the organization, an arm of the Association of South East Asian Nations.

Air Canada will suspend flights to and from India from June 1 to Sept. 30, a time of relatively low use, its general manager for India, Geoffrey Beckton, said Tuesday. He said Air Canada would work with its partners, United Airlines and Lufthansa, to provide connections via London and Frankfurt.

Ansett Australia is being forced by the Asian economic crisis to suspend a key route to Indonesia and Malaysia and lay off 90 employees, the airline said Tuesday. Its daily Boeing 767 service from Sydney to Kuala Lumpur via Jakarta will cease to operate at the end of this month, following a sharp drop in demand for seats and considerable losses on the route.

## WEATHER

## Forecast for Thursday through Saturday, as provided by AccuWeather.



Legend: S, sunny; pc, partly cloudy; c, cloudy; sh, showers; h, heavy showers; 1, 1-4 in.; 5, 5-9 in.; 10, 10-14 in.; 15, 15-19 in.; 20, 20-24 in.; 25, 25-29 in.; 30, 30-34 in.; 35, 35-39 in.; 40, 40-44 in.; 45, 45-49 in.; 50, 50-54 in.; 55, 55-59 in.; 60, 60-64 in.; 65, 65-69 in.; 70, 70-74 in.; 75, 75-79 in.; 80, 80-84 in.; 85, 85-89 in.; 90, 90-94 in.; 95, 95-99 in.; 100, 100-104 in.; 105, 105-109 in.; 110, 110-114 in.; 115, 115-119 in.; 120, 120-124 in.; 125, 125-129 in.; 130, 130-134 in.; 135, 135-139 in.; 140, 140-144 in.; 145, 145-149 in.; 150, 150-154 in.; 155, 155-159 in.; 160, 160-164 in.; 165, 165-169 in.; 170, 170-174 in.; 175, 175-179 in.; 180, 180-184 in.; 185, 185-189 in.; 190, 190-194 in.; 195, 195-199 in.; 200, 200-204 in.; 205, 205-209 in.; 210, 210-214 in.; 215, 215-219 in.; 220, 220-224 in.; 225, 225-229 in.; 230, 230-234 in.; 235, 235-239 in.; 240, 240-244 in.; 245, 245-249 in.; 250, 250-254 in.; 255, 255-259 in.; 260, 260-264 in.; 265, 265-269 in.; 270, 270-274 in.; 275, 275-279 in.; 280, 280-284 in.; 285, 285-289 in.; 290, 290-294 in.; 295, 295-299 in.; 300, 300-304 in.; 305, 305-309 in.; 310, 310-314 in.; 315, 315-319 in.; 320, 320-324 in.; 325, 325-329 in.; 330, 330-334 in.; 335, 335-339 in.; 340, 340-344 in.; 345, 345-349 in.; 350, 350-354 in.; 355, 355-359 in.; 360, 360-364 in.; 365, 365-369 in.; 370, 370-374 in.; 375, 375-379 in.; 380, 380-384 in.; 385, 385-389 in.; 390, 390-394 in.; 395, 395-399 in.; 400, 400-404 in.; 405, 405-409 in.; 410, 410-414 in.; 415, 415-419 in.; 420, 420-424 in.; 425, 425-429 in.; 430, 430-434 in.; 435, 435-439 in.; 440, 440-444 in.; 445, 445-449 in.; 450, 450-454 in.; 455, 455-459 in.; 460, 460-464 in.; 465, 465-469 in.; 470, 470-474 in.; 475, 475-479 in.; 480, 480-484 in.; 485, 485-489 in.; 490, 490-494 in.; 495, 495-499 in.; 500, 500-504 in.; 505, 505-509 in.; 510, 510-514 in.; 515, 515-519 in.; 520, 520-524 in.; 525, 525-529 in.; 530, 530-534 in.; 535, 535-539 in.; 540, 540-544 in.; 545, 545-549 in.; 550, 550-554 in.; 555, 555-559 in.; 560, 560-564 in.; 565, 565-569 in.; 570, 570-574 in.; 575, 575-579 in.; 580, 580-584 in.; 585, 585-589 in.; 590, 590-594 in.; 595, 595-599 in.; 600, 600-604 in.; 605, 605-609 in.; 610, 610-614 in.; 615, 615-619 in.; 620, 620-624 in.; 625, 625-629 in.; 630, 630-634 in.; 635, 635-639 in.; 640, 640-644 in.; 645, 645-649 in.; 650, 650-654 in.; 655, 655-659 in.; 660, 660-664 in.; 665, 665-669 in.; 670, 670-674 in.; 675, 675-679 in.; 680, 680-684 in.; 685, 685-689 in.; 690, 690-694 in.; 695, 695-699 in.; 700, 700-704 in.; 705, 705-709 in.; 710, 710-714 in.; 715, 715-719 in.; 720, 720-724 in.; 725, 725-729 in.; 730, 730-734 in.; 735, 735-739 in.; 740, 740-744 in.; 745, 745-749 in.; 750, 750-754 in.; 755, 755-759 in.; 760, 760-764 in.; 765, 765-769 in.; 770, 770-774 in.; 775, 775-779 in.; 780, 780-784 in.; 785, 785-789 in.; 790, 790-794 in.; 795, 795-799 in.; 800, 800-804 in.; 805, 805-809 in.; 810, 810-814 in.; 815, 815-819 in.; 820, 820-824 in.; 825, 825-829 in.; 830, 830-834 in.; 835, 835-839 in.; 840, 840-844 in.; 845, 845-849 in.; 850, 850-854 in.; 855, 855-859 in.; 860, 860-864 in.; 865, 865-869 in.; 870, 870-874 in.; 875, 875-879 in.; 880, 880-884 in.; 885, 885-889 in.; 890, 890-894 in.; 895, 895-899 in.; 900, 900-904 in.; 905, 905-909 in.; 910, 910-914 in.; 915, 915-919 in.; 920, 920-924 in.; 925, 925-929 in.; 930, 930-934 in.; 935, 935-939 in.; 940, 940-944 in.; 945, 945-949 in.; 950, 950-954 in.; 955, 955-959 in.; 960, 960-964 in.; 965, 965-969 in.; 970, 970-974 in.; 975, 975-979 in.; 980, 980-984 in.; 985, 985-989 in.; 990, 990-994 in.; 995, 995-999 in.; 1000, 1000-1004 in.; 1005, 1005-1009 in.; 1010, 1010-1014 in.; 1015, 1015-1019 in.; 1020, 1020-1024 in.; 1025, 1025-1029 in.; 1030, 1030-1034 in.; 1035, 1035-1039 in.; 1040, 1040-1044 in.; 1045, 1045-1049 in.; 1050, 1050-1054 in.; 1055, 1055-1059 in.; 1060, 1060-1064 in.; 1065, 1065-1069 in.; 1070, 1070-1074 in.; 1075, 1075-1079 in.; 1080, 1080-1084 in.; 1085, 1085-1089 in.; 1090, 1090-1094 in.; 1095, 1095-1099 in.; 1100, 1100-1104 in.; 1105, 1105-1109 in.; 1110, 1110-1114 in.; 1115, 1115-1119 in.; 1120, 1120-1124 in.; 1125, 1125-1129 in.; 1130, 1130-1134 in.; 1135, 1135-1139 in.; 1140, 1140-1144 in.; 1145, 1145-1149 in.; 1150, 1150-1154 in.; 1155, 1155-1159 in.; 1160, 1160-1164 in.; 1165, 1165-1169 in.; 1170, 1170-1174 in.; 1175, 1175-1179 in.; 1180, 1180-1184 in.; 1185, 1185-1189 in.; 1190, 1190-1194 in.; 1195, 1195-1199 in.; 1200, 1200-1204 in.; 1205, 1205-1209 in.; 1210, 1210-1214 in.; 1215, 1215-1219 in.; 1220, 1220-1224 in.; 1225, 1225-1229 in.; 1230, 1230-1234 in.; 1235, 1235-1239 in.; 1240, 1240-1244 in.; 1245, 1245-1249 in.; 1250, 1250-1254 in.; 1255, 1255-1259 in.; 1260, 1260-1264 in.; 1265, 1265-1269 in.; 1270, 1270-1274 in.; 1275, 1275-1279 in.; 1280, 1280-1284 in.; 1285, 1285-1289 in.; 1290, 1290-1294 in.; 1295, 1295-1299 in.; 1300, 1300-1304 in.; 1305, 1305-1309 in.; 1310, 1310-1314 in.; 1315, 1315-1319 in.; 1320, 1320-1324 in.; 1325, 1325-1329 in.; 1330, 1330-1334 in.; 1335, 1335-1339 in.; 1340, 1340-1344 in.; 1345, 1345-1349 in.; 1350, 1350-1354 in.; 1355, 1355-1359 in.; 1360, 1360-1364 in.; 1365, 1365-1369 in.; 1370, 1370-1374 in.; 1375, 1375-1379 in.; 1380, 1380-1384 in.; 1385, 1385-1389 in.; 1390, 1390-1394 in.; 1395, 1395-1399 in.; 1400, 1400-1404 in.; 1405, 1405-1409 in.; 1410, 1410-1414 in.; 1415, 1415-1419 in.; 1420, 1420-1424 in.; 1425, 1425-1429 in.; 1430, 1430-1434 in.; 1435, 1435-1439 in.; 1440, 1440-1444 in.; 1445, 1445-1449 in.; 1450, 1450-1454 in.; 1455, 1455-1459 in.; 1460, 1460-1464 in.; 1465, 1465-1469 in.; 1470, 1470-1474 in.; 1475, 1475-1479 in.; 1480, 1480-1484 in.; 1485, 1485-1489 in.; 1490, 1490-1494 in.; 1495, 1495-1499 in.; 1500, 1500-1504 in.; 1505, 1505-1509 in.; 1510, 1510-1514 in.; 1515, 1515-1519 in.; 1520, 1520-1524 in.; 1525, 1525-1529 in.; 1530, 1530-1534 in.; 1535, 1535-1539 in.; 1540, 1540-1544 in.; 1545, 1545-1549 in.; 1550, 1550-1554 in.; 1555, 1555-1559 in.; 1560, 1560-1564 in.; 1565, 1565-1569 in.; 1570, 1570-1574 in.; 1575, 1575-1579 in.; 1580, 1580-1584 in.; 1585, 1585-1589 in.; 1590, 1590-1594 in.; 1595, 1595-1599 in.; 1600, 1600-1604 in.; 1605, 1605-1609 in.; 1610, 1610-1614 in.; 1615, 1615-1619 in.; 1620, 1620-1624 in.; 1625, 1625-1629 in.; 1630, 1630-1634 in.; 1635, 1635-1639 in.; 1640, 1640-1644 in.; 1645, 1645-1649 in.; 1650, 1650-1654 in.; 1655, 1655-1659 in.; 1660, 1660-1664 in.; 1665, 1665-1669 in.; 1670, 1670-1674 in.; 1675, 1675-1679 in.; 1680, 1680-1684 in.; 1685, 1685-1689 in.; 1690, 1690-1694 in.; 1695, 1695-1699 in.; 1700, 1700-1704 in.; 1705, 1705-1709 in.; 1710, 1710-1714 in.; 1715, 1715-1719 in.; 1720, 1720-1724 in.; 1725, 1725-1729 in.; 1730, 1730-1734 in.; 1735, 1735-1739 in.; 1740, 1740-1744 in.; 1745, 1745-1749 in.; 1750, 1750-1754 in.; 1755, 1755-1759 in.; 1760, 1760-1764 in.; 1765, 1765-1769 in.; 1770, 1770-1774 in.; 1775, 1775-1779 in.; 1780, 1780-1784 in.; 1785, 1785-1789 in.; 1790, 1790-1794 in.; 1795, 1795-1799 in.; 1800, 1800-1804 in.; 1805, 1805-1809 in.; 1810, 1810-1814 in.; 1815, 1815-1819 in.; 1820, 1820-1824 in.; 1825, 1825-1829 in.; 1830, 1830-1834 in.; 1835, 1835-1839 in.; 1840, 1840-1844 in.; 1845, 1845-1849 in.; 1850, 1850-1854 in.; 1855, 1855-1859 in.; 1860, 1860-1864 in.; 1865, 1865-1869 in.; 1870, 1870-1874 in.; 1875, 1875-1879 in.; 1880, 1880-1884 in.; 1885, 1885-1889 in.; 1890, 1890-1894 in.; 1895, 1895-1899 in.; 1900, 1900-1904 in.; 1905, 1905-1909 in.; 1910, 1910-1914 in.; 1915, 1915-1919 in.; 1920, 1920-1924 in.; 1925, 1925-1929 in.; 1930, 1930-1934 in.; 1935, 1935-1939 in.; 1940, 1940-1944 in.; 1945, 1945-1949 in.; 1950, 1950-1954 in.; 1955, 1955-1959 in.; 1960, 1960-1964 in.; 1965, 1965-1969 in.; 1970, 1970-1974 in.; 1975, 1975-1979 in.; 1980, 1980-1984 in.; 1985, 1985-1989 in.; 1990, 1990-1994 in.; 1995, 1995-1999 in.; 2000, 2000-2004 in.; 2005, 2005-2009 in.; 2010, 2010-2014 in.; 2015, 2015-2019 in.; 2020, 2020-2024 in.; 2025, 2025-2029 in.; 2030, 2030-2034 in.; 2035, 2035-2039 in.; 2040, 2040-2044 in.; 2045, 2045-2049 in.; 2050, 2050-2054 in.; 2055, 2055-2059 in.; 2060, 2060-2064 in.; 2065, 2065-2069 in.; 2070, 2070-2074 in.; 2075, 2075-2079 in.; 2080, 2080-2084 in.; 2085, 2085-2089 in.; 2090, 2090-2094 in.; 2095, 2095-2099 in.; 2100, 2100-2104 in.; 2105, 2105-2109 in.; 2110, 2110-2114 in.; 2115, 2115-2119 in.; 2120, 2120-2124 in.; 2125, 2125-2129 in.; 2130, 2130-2134 in.; 2135, 2135-2139 in.; 2140, 2140-2144 in.; 2145, 2145-2149 in.; 2150, 215



THE AMERICAS

# Jordan Spends 3d Day With Grand Jury While Starr Does Other Work

WASHINGTON — Vernon Jordan Jr., a friend of President Bill Clinton's and an important figure in the Monica Lewinsky inquiry, testified Tuesday for a third time before a federal grand jury.

Legal experts said Mr. Jordan's return visit with the panel and a scheduled appearance by Mr. Clinton's secretary, Betty Currie, later this week signaled that the investigation by the independent prosecutor, Kenneth Starr, of sex-and-perjury allegations against the president had entered a crucial phase.

But Mr. Starr was not present. He was in Richmond, Virginia, arguing an appellate civil case involving Meineke Muffler Corp., a car repair company. The independent counsel has carried on his \$1 million a year private law practice even as he investigates the propriety of Mr. Clinton's personal, political and business dealings.

The White House blasted Mr. Starr's sense of priorities, adding tinder to an increasingly combustible political battle between Mr. Clinton and Republican investigators.

When Ken Starr woke up this morning, he had a choice: to serve the public interest, or to serve himself," said a White House spokesman, Jim Kennedy. "He chose the latter course."

Mr. Starr's grand jury in Washington is probing allegations that Mr. Clinton had sex with Ms. Lewinsky, a former White House intern, and tried to cover it up, obstructing justice in the now-moot sexual harassment lawsuit against the president by Paula Jones.

Judge Susan Webber Wright of U.S. District Court dismissed the Jones case April 1, saying it was too weak to merit trial. But her action had no effect on the criminal case sparked by the suit.

Mr. Jordan, a prominent Washington power-broker, helped Ms. Lewinsky line up a lawyer

and job interviews after lawyers for Mrs. Jones sought to question the young woman about her relationship with Mr. Clinton. Mr. Jordan told reporters after testifying in March that he had never encouraged Ms. Lewinsky to lie or helped with her job search in exchange for silence about her relationship with Mr. Clinton.

In a related development, a federal appeals court upheld a judge's decision to conduct closed proceedings on executive privilege and other matters related to the investigation. The U.S. Court of Appeals denied a motion by a dozen media organizations for immediate access to proceedings and papers related to the Lewinsky investigation. (Reuters, AP)

**More Scuffling Over Hubbell Tapes**

Alison Mitchell of The New York Times reported earlier: Insisting that a Democratic charge of selective

editing "does not hold water," the Republican chairman of a House committee released tape recordings Monday of more than 10 hours of telephone calls made from a federal prison by Webster Hubbell, a former associate attorney general.

Representative Dan Burton of Indiana, chairman of the Government Reform and Oversight Committee, and Representative Henry Waxman of California, the committee's ranking Democrat, traded charges over the tapes for a second day in letters to each other that were released to the press. Mr. Waxman said there was a "systematic effort to mislead the public," while Mr. Burton said that "the entire record will reflect that I was very fair and evenhanded."

Although much of the conversation heard Monday followed transcripts of Mr. Hubbell's conversations made public by the committee last week, Mr. Waxman said his staff had reviewed

the excerpts and found crucial passages deleted, other text heavily paraphrased and at least one instance in which Mr. Burton or his staff "simply made up text."

In a separate memorandum to committee Democrats, the minority members' staff pointed to an instance in which the transcript said, "The reality is, it's just not easy to do business with me while I'm here," an apparent reference to the Riady family of Indonesia, which figured in the 1996 campaign finance investigation. The Democrats said that Mr. Hubbell actually said, "The reality is, it's just not easy to do business with me while I'm here."

The release of the tapes — strenuously opposed by Mr. Hubbell's lawyer — came days after Mr. Hubbell was indicted for a second time on charges of tax evasion, this time along with his wife, Suzanna Hubbell, as well their accountant and their lawyer.

## More Fallout in Whitewater Inquiry

### Starr Panel Indicts Clintons' Former Business Partner for Contempt

By Susan Schmidt and Peter Baker  
Washington Post Service

WASHINGTON — Susan McDougal, the former Whitewater business partner of President Bill Clinton and Hillary Rodham Clinton who has refused for nearly two years to testify before a grand jury about the president's financial dealings, has been indicted on charges of criminal contempt and obstructing the investigation of the independent counsel, Kenneth Starr.

The indictment handed up Monday, just days before the Little Rock grand jury convened by Mr. Starr is set to expire, includes a new allegation: that Mrs. McDougal obstructed justice by refusing to answer questions about a

cryptic handwritten note she wrote on a check for \$5,081 in 1983 that said: "Payoff Clinton."

Mrs. McDougal, 43, was also charged with two felony counts of contempt for twice refusing to testify, in 1996 and again last month, despite a court-ordered grant of immunity.

She has already served 18 months for civil contempt for refusing to testify in Mr. Starr's investigation and is just starting a two-year term for a bank fraud conviction Mr. Starr won against her in 1996. Mrs. McDougal also faces a state trial in California on unrelated embezzlement charges.

She has refused to testify about the Clintons' financial dealings, she has said, because Mr. Starr is trying to force

her to falsely implicate the president and the first lady. If she does not do so, Mrs. McDougal insists, Mr. Starr will charge her with perjury.

Minutes after the indictment Monday, Mr. Starr's spokesman said outside the federal courthouse in Little Rock, Arkansas, that Mr. Clinton had stepped into the feud between Mrs. McDougal and prosecutors.

The Office of Independent Counsel requested that the president urge his former business partner, Mrs. McDougal, to testify truthfully before the grand jury. That request was rejected, said Charles Bakaly, an aide to Mr. Starr.

Mr. Bakaly revealed that Mr. Starr wrote to the White House counsel's office five times after hearing Mr. Clinton refer in interviews to Mr. Starr's efforts to obtain Mrs. McDougal's testimony.

"Whether intentionally or not, the president has injected himself into this matter," Mr. Starr wrote in the first of the exchanges last year, all of which were released Monday. "He has made public comments that could reasonably have had the effect of bolstering Mrs. McDougal's obstinacy, thereby impeding this federal investigation."



QUESTIONS — Captain William Raney 2d arriving Tuesday at Camp Lejeune, North Carolina, for a hearing into an incident Feb. 3 in which a U.S. jet cut ski-lift cables in Italy, killing 20. Another officer testified that the cable was not on a flight map.

### Away From Politics

- The FBI is increasing the reward for the capture of Eric Robert Rudolph, wanted in the fatal bombing of a U.S. abortion clinic, to \$1 million from the current \$100,000 after putting the suspect on its 10-most-wanted list. (AP)
- More studies into the newly approved impotence drug Viagra are being urged by the American Academy of Ophthalmology, which has warned users with some types of eye problems to avoid higher doses. (AP)
- Resisting pressure to sanitize its dictionary, the publisher Merriam-Webster has agreed to flag the entries for some 200 racial slurs and other obscenities with italic notations to warn that the words are offensive. (AP)
- The first person ever convicted of civil rights violations for making e-mail death threats, Richard Machado, was spared a return to prison after a judge sentenced him to one year, time he has already served awaiting trial. But the judge ordered him to serve a year of supervised release. (AP)
- A spectator who was in a coma for almost a month after a giant balloon at the Macy's Thanksgiving Day parade in New York careened into a lamppost and injured her has sued the department store for \$395 million. (AP)
- Six people have been arrested in a conspiracy to steal thousands of car air bags in New York, New Jersey and the Northeast and sell them to auto parts dealers nationwide. Officials said the theft ring had netted \$1.5 million. (NYT)

## Clinton Trades Judgeships

### He and Senator Agree on Appointments Deal

By Neil A. Lewis  
New York Times Service

WASHINGTON — President Bill Clinton agreed to nominate a prominent conservative selected by a Republican senator to an important appeals court post in exchange for the confirmation of one of his nominees to the same court, according to Senate and administration officials.

In exchange for nominating the Republican choice, Judge Barbara Durham, the current chief justice of the Washington State Supreme Court, to the 9th U.S. Circuit Court of Appeals in San Francisco, the Republicans agreed to stop blocking the nominations of several Clinton nominees, including that of Professor William Fletcher.

With Senator Slade Gorton, Republican of Washington, who insisted that the president nominate Judge Durham, has been called the most conservative state Supreme Court judge in Washington by some newspapers there.

Republicans, who control the Senate calendar because they are in the majority, have told the White House that they would allow a vote on Mr. Fletcher's nomination only after Mr. Clinton publicly nominated Judge Durham.

Though the process of nominating and confirming judges is rife with politics, the Clinton-Gorton arrangement is still unusual.

A senior administration official acknowledged that Judge Durham would never have been considered as a suitable nominee by the administration if not for the eagerness to have Mr. Fletcher confirmed.

The official, who insisted on anonymity, also said the agreement explicitly ceded to Mr. Gorton the authority to choose an appeals court nominee. For two decades, both Democratic and Republican presidents have said they would not share that authority.

For more than three years, Senate Republicans have refused to act on the nomination of Mr. Fletcher, 52, a longtime Clinton friend who teaches at the law school of the University of California at Berkeley.

But Mr. Fletcher now appears headed for confirmation as a result of Mr. Clinton's private agreement to nominate Judge Durham, 55. The officials said that Mr. Clinton had made the deal largely

with Senator Slade Gorton, Republican of Washington, who insisted that the president nominate Judge Durham, has been called the most conservative state Supreme Court judge in Washington by some newspapers there.

Republicans, who control the Senate calendar because they are in the majority, have told the White House that they would allow a vote on Mr. Fletcher's nomination only after Mr. Clinton publicly nominated Judge Durham.

Though the process of nominating and confirming judges is rife with politics, the Clinton-Gorton arrangement is still unusual.

A senior administration official acknowledged that Judge Durham would never have been considered as a suitable nominee by the administration if not for the eagerness to have Mr. Fletcher confirmed.

The official, who insisted on anonymity, also said the agreement explicitly ceded to Mr. Gorton the authority to choose an appeals court nominee. For two decades, both Democratic and Republican presidents have said they would not share that authority.

## West Rivals South In Child Poverty

MEMPHIS, Tennessee — The South still has millions of poor children, but advocates say the West has caught up. More than two of every nine children in each of those regions live in poverty, the Children's Defense Fund has announced. It was the first time the South did not lead the nation.

Nationally, 20.5 percent of children — nearly 14.5 million — were classified as poor in 1996, up from 14 percent in 1969.

The majority of these children live in working families, so ending welfare as we know it, which has been the political cry in this country, will not help them," said Marian Wright Edelman, president of the defense fund.

The group placed the poverty line at \$12,516 a year for a family of three and \$16,036 for a family of four.

In 1996, 5.5 million children were poor in the 16 states of the South,

including Washington, D.C. Some 2.6 million were in extreme poverty, with incomes of about \$120 a week for a family of three.

In 1969, 22.3 percent of children in families in the South were poor. In 1996, 22.9 percent of all Southern and Western children were in poverty.

The Midwest had the lowest percentage of impoverished children among the four regions, 11.5 percent, followed by the Northeast with 19.2 percent. (AP)

sociation vice president, blasted Ms. Streisand, the movie's producer, as "the Hanoi Jane of the Second Amendment." In full-page national newspaper ads Monday, Mr. Heston accused Ms. Streisand of "profiteering on the back of a tragedy" and "big-issue posturing with Hollywood tears."

Ms. Streisand responded: "You don't need an AK-47 to kill game, and you don't need an Uzi to defend yourself. People who support gun control believe in the reasonable regulation of guns." (WP)

## Gun Control Bout: Heston vs. Streisand

WASHINGTON — A verbal shootout between the actors Charlton Heston and Barbra Streisand has erupted, following NBC's airing of "The Long Island Incident." The movie is based on the 1993 Long Island Rail Road commuter train massacre in which five people died.

Mr. Heston, the National Rifle As-

### Quote/Unquote

President Bill Clinton, on a California ballot initiative that would limit unions' ability to use dues from members for contributions to candidates or other political activities: "This is just an attempt to put unions at a disadvantage to other organized groups in the political marketplace and thereby to diminish the voice of working men and women." (NYT)

## Republicans Duke It Out at the Bluegrass Level

By Thomas B. Edsall  
Washington Post Service

ASHLAND, Kentucky — The battle between the regulars and the righteous for control of the Republican Party has turned at least 15 Republican House primaries and a handful of Senate and gubernatorial nomination contests into bitter disputes over ideology and morality.

Nowhere have the stakes in the fight over the mission of the Republican Party been raised as high as here in the hills and hollows of the Bluegrass state of Kentucky.

The May 26 Republican primary pits two competing versions of conservatism against each other in a fight to succeed Representative Jim Bunning, who is running for the Senate.

His opponent is Rick Robinson, a corporate lawyer in suspenders and double-breasted suits, who describes himself as a "bleeding-heart conservative" who will never forget his lowly roots in Bromley, Kentucky. "I represent the mainstream of conservative ideals of Republicans in this district," Mr. Robinson, a former Republican district chairman, declared.

Mr. Williams is a leader of the "moral" wing of the Kentucky Republican Party, emphasizing opposition to abortion and gambling and support for prayer in school — issues that mobilize white, evangelical Christians.

Mr. Robinson is a part of the party's conservative economic wing that stresses tax cuts and paring back government. These traditional Republicans worry that the party's pull to the right threatens its victories in the fall election.

The Kentucky contest reflects the problem facing the national Republican Party: Does it do better in November when it moves to the moderate center or when it holds firm to the principles of its conservative base? Will the heat of these battles energize the party

to take on Democrats or will it depress turnout?

These issues dogging the party are a prelude to the contest for the Republican presidential nomination in 2000. Leaders of Christian and anti-abortion organizations are still angry over the failure of the last two Republican presidential nominees, George Bush and Bob Dole, to press their issues. This time they are planning to endorse one candidate in the primaries in an action that could lead to a direct confrontation between the religious wing of the party and the more establishment wing.

On Tuesday, voters in Indiana and Ohio were to provide a preliminary indication of where the Republican Party is going as they decided whether anti-abortion or abortion rights candidates will challenge Representative Julia Carson of Indiana and Ted Strickland of Ohio.

Similar fights are taking place in California, where former Representative Robert Dornan, a Republican hero of the right, faces Lisa Hughes in Orange County and Barbara Alby, a conservative, takes on Doug Ose, who is more moderate, in Sacra-

mento, in New York, where Randall Terry of Operation Rescue, an anti-abortion group, is running against Bud Walker, a radio station owner; in Oregon, where Molly Bordonaro, a conservative organizer, is running against Jon Kvistad, a centrist, and in Pennsylvania where Bob Kilbanks, a conservative, faces Joe Uliana, who is slightly less conservative.

The Democratic Party is counting on the divisiveness of these primaries to split the Republicans and consequently help Democrats win in November.

In the past decade, the drive

### Great Location for Business Travellers

swissotel

ISTANBUL THE BOSPHORUS

Contact us direct or your travel agent

Telephone: 00 91 212 239 01 01 Telex: 10 215 220 01 IS -FAX/Telex: 01 30 14 5656 - 1915 191 000 000  
-US/Canada: 800 321 9477 - 1 800 514 1415 - JAPAN: 03 30 11 5553 - 41415 KOREA: 02 399 3399  
E-mail: bosphorus@swissotel.com.tr www.bosphorus.com.tr

HARRY WINSTON  
Rare Jewels of the World



BECAUSE THE REFLECTION MADE  
HER EYES DANCE IN THE LIGHT...

New York 212. 245 2000 Beverly Hills 310. 271 8554 Geneva 22. 818 2000 Paris 1. 47 20 03 09 Tokyo 3. 3535 6441

Small

Smaller



genie™ Philips' smallest mobile phone on the market.

PHILIPS  
Let's make things better.







## EUROPE

# Holocaust Claim A 'Special Case'

## Settlement by Credit Suisse Leaves Open Precedent Issue

ZURICH — The agreement by Credit Suisse Group to settle a high-profile claim on a dormant Nazi-era bank account is a "special case," a company spokesman said Tuesday.

Alfonse D'Amato, a U.S. senator, Credit Suisse First Boston and Estelle Sapir, a Holocaust survivor, announced the deal Monday in New York.

The parties have signed a confidentiality agreement, but news reports have put the settlement sum at more than \$500,000.

Miss Sapir's father, Josef, a prominent Polish banker, deposited his money in English, French and Swiss banks.

While Miss Sapir, 72, recovered some of his money after the war from British and French banks, she failed to receive restitution from Switzerland because she could not produce a death certificate for her father.

A Credit Suisse spokesman, Paul Rhy, confirmed Tuesday that a deal was signed but declined to provide any details, and would not say whether it could set a precedent for future settlements.

"We consider it as a special case and special circumstances that allowed us to enter an agreement," Mr. Rhy said.

There were indications of a banking relationship between Miss Sapir's father and Credit Suisse but there was "missing information on both sides," Mr. Rhy said. "It wasn't possible to shed light on all the details."

He added: "We considered it appropriate to make a settlement."

**Rare Victor in a 52-Year Battle With Swiss Banks**

David Sanger of The New York Times reported earlier from New York:

The last time Miss Sapir saw her father, in 1943, he reached through the barbed wire of a detention camp where the Nazis had imprisoned him in southern France and said: "You have to survive. You'll be O.K. because there's money in the bank."

But one of the banks where Mr. Sapir had deposited the family's considerable fortune was Credit Suisse. When Miss Sapir showed up at its Geneva branch in 1946 to collect the money, a brusque bank manager demanded that she provide a death certificate.

Time and again she returned to the bank, only to be rebuffed.

But Monday, Miss Sapir emerged as a rare victor in the tangled battle between Holocaust survivors and the Swiss banks, accepting an undisclosed settlement from Credit Suisse that by some estimates could total \$500,000.

"I've felt that my father was always behind me and beside me," Miss Sapir, 72, who lives in Queens, New York, said at a news conference Monday. Holding up a photograph of her father taken shortly before he was deported to the Majdanek concentration camp in Poland, she said: "When I die and go to heaven, I will see him and say, 'I accomplished it.'"

In return for the settlement, Miss Sapir agreed to withdraw from a huge class-action suit against the banks, a court battle that Swiss commercial banks are trying to resolve in negotiations with the State Department.

Credit Suisse suggested Monday that it settled the case even in the absence of direct evidence about how much money Mr. Sapir may have deposited. "We found a sufficient basis in the facts, combined with our concern with Miss Sapir to arrive at today's settlement," Boh O'Brien, the managing director of Credit Suisse First Boston, said Monday.

The amount Miss Sapir received remains a secret under a confidentiality agreement, but Swiss television put the figure at \$500,000 Monday. Others familiar with the agreement say that number is roughly correct.

By settling individually with Miss Sapir, who is clearly in poor health, Credit Suisse has taken care of one of the most visible examples of its failure to investigate accounts opened by Holocaust victims, and one on which it was so shaky ground.

Before he was sent to his death, Mr. Sapir drilled his daughter repeatedly on the names of the banks where he had spread out a fortune accumulated in several businesses. Some of his assets were in banks in England and France, which gave her father's money to Miss Sapir without question soon after the end of the war.

But Credit Suisse balked, insisting in 1946 that she have proof of his death and in 1996 that she have clear records to back up her claim. "Because my father was killed in a concentration camp, I would never be able to produce a death certificate, and they knew it," Miss Sapir told a Senate committee in late 1996, where she became a symbol of the Holocaust survivors whom the Swiss banks summarily dismissed, even as they went to extraordinary lengths to protect gold and artwork deposited by the Nazis.

Recently, the bank found a card under the name of J. Sapir that appeared to confirm that he held an account, without an indication of how much the account may have once contained. The settlement Monday suggests that the bank has backed away from its earlier insistence that all claimants must provide clear proof of death.

**BOCA RATON, Florida** — Otto Bettmann, 94, a refugee from Nazi Germany who built a small collection of photographs into the world's largest collection of images, died here Friday.

Mr. Bettmann fled Germany in 1933 with little more than two steamer trunks full of old photographs, his money having been seized by German customs agents as a "leaving-the-Reich" tax after he was expelled from his job for being Jewish.

Nazi officials had examined the photographs and dismissed them as worthless, but Mr. Bettmann made them the basis of what would become the Bettmann Archive, a 16-million-photograph library based in New York that was sold for millions to Corbis Corp., a company wholly owned by Microsoft Corp.'s founder, Bill Gates.

Pictures in the archive include such familiar images as Winston Churchill giving his victory sign at the end of World War II, a U.S. astronaut walking on the moon, Albert Einstein sticking out his tongue and Marilyn Monroe standing over a street grate as her skirt blew up.

In addition to building the archive, Mr. Bettmann wrote 14 books, including a best-selling photo essay "The Good Old Days — They Were Terrible" in 1978.

Born in 1903 in Leipzig, Mr. Bettmann worked as a curator of Berlin's Prussian State Art Library before leaving Germany.

**Samuel Cummings, 71, Dealer of Small Arms**

WASHINGTON (NYT) — Samuel Cummings, 71, the world's biggest small-arms dealer, died April 29 in Monaco after a series of strokes. He had long reigned as the undisputed philosopher-king of the arms trade.

"The arms business," he told an interviewer in 1989, "is based on human folly, and folly has yet to be measured nor its depths plumbed." His biographers described him as a pleasant and law-abiding merchant of death.

His company, Interarms, did \$100 million worth of business in a good year, and over the course of four decades it had many. It dealt guns and ammunition to dictators, despots, revolutionaries and counter-revolutionaries — and, in one notable case, to both sides in a Central American guerrilla war.

Any government or guerrilla movement needing 30,000 automatic rifles in a hurry could dial Interarms's telephone numbers in Alexandria, Virginia, or Manchester, England, and take delivery in days subject to cash and certain licensing niceties.

**Pierre Fourcaud, 100, Soldier and Spymaster**

PARIS (Reuters) — Colonel Pierre Fourcaud, 100, who helped set up the Free

## Fierce Gunfire Subsides In Kosovo Border Town

PONOSEVAC, Yugoslavia — Two days of firefights between the Serbian police and ethnic Albanians in this village on the Kosovo Province border with Albania subsided on Tuesday, leaving the main road littered with dead animals and broken glass.

Five Serbian police officers and three Romanians were reported to have been wounded in the fierce fighting and one Roman civilian was believed to have been killed, local sources said.

The Serbian authorities also reported Tuesday that a Serb, an Albanian and a third, unidentified, man had been slain in separate incidents near Klinë, about 60 kilometers (40 miles) west of the capital of Kosovo, Pristina.

The Tanjug news agency said that the Albanian was known as an opponent of Kosovo separatism. The Serb was a postman who had been kidnapped.

(Reuters)

## EU High Court Rejects Challenge to Beef Ban

BRUSSELS — The European Court of Justice let the ban on worldwide exports of British beef stand on Tuesday, rejecting an attempt by the British government to have it declared illegal.

The European Commission ordered the ban in 1996 after bovine spongiform encephalopathy, or "mad cow" disease, was linked scientifically to a new variant of Creutzfeldt-Jakob Disease, a fatal human brain ailment.



A Serb securing a position in a clash Tuesday in Trstenik, southwest of Pristina.

Britain took the case to the European Union's high court, contending that the EU Commission had no right to impose the ban on non-EU countries. But the court backed the commission, finding that the EU executive had acted with "due caution" to ensure that possibly contaminated British beef did not re-enter the union via other countries.

Britain had contended that the commission misused its powers in reaction to consumer panic, but the court rejected that assertion.

"There is no evidence to support the argument that the commission's exclusive or main purpose was to ally consumer concern or to an economic end, rather than the protection of health," the court said. (AP)

## Austria Honors Victims Of Nazis for First Time

VIENNA — For the first time, Austria honored victims of the Holocaust on Tuesday

with a national day of remembrance that marked the country's slow journey from repressing the Nazi past to acknowledging it and vowing that it would not be repeated.

A solemn, nationally televised session of both houses of Parliament and a performance of "The Diary of Anne Frank," written by the Russian Jewish composer Grigori Fried and sung by a young Israeli soprano, were the highlights of commemorations.

Parliament chose May 5 as the national day "against violence and racism, in memory of the victims of Nazism" because it was on that date in 1945 that U.S. troops liberated the major concentration camp in Austria, at Mauthausen. The Nazi hunter Simon Wiesenthal, one of those freed that day, was among the dignitaries in Parliament. (AP)

## Police in France Raid A Far-Right City Hall

TOULON, France — Police investigating corruption charges on Tuesday raided the Toulon city hall controlled by the far-right National Front as the mayor's wife, Cendrine Le Chevallier, was given a one-month suspended jail sentence for favoritism in hiring.

Mrs. Le Chevallier, who narrowly lost a weekend by-election for a parliamentary seat, also was fined 30,000 francs (about \$5,000) for encouraging the hiring of National Front sympathizers and excluding those opposed to the anti-immigrant party.

Also Tuesday, police searched the offices of her husband, Jean-Marie Le Chevallier, who was elected mayor in 1995. The police are investigating allegations by the former head of the local soccer club that the National Front received 8.5 million francs in kickbacks from a company that obtained a contract to supply lunches to city schools. (AFP)

# Russian Navy Finally Gets Peter the Great, but Why?

By David Hoffman  
Washington Post Service

MOSCOW — One of the largest frigates in the world, the atomic-powered Peter the Great, has finally been delivered to the Russian Navy. But the massive six-deck warship, bristling with weapons, has outlived the Cold War conflicts for which it was designed.

The 250-meter-long vessel is the last of four in its class. They are the largest warships — except for aircraft carriers — built by any nation since World War II, according to Arthur Baker 3d, editor of

Combat Fleets of the World. The first was launched in 1977. But already two of the four giant vessels are out of service, and experts say the newest arrival is not likely to be on the high seas any more soon.

At a time when the Russian Navy is so strapped for cash that it must retire ballistic missile submarines early for lack of maintenance, and when Russia's shipyard workers and sailors are routinely paid months late, the Peter the Great stands out.

When the keel was laid 12 years ago, Mikhail

Gorbachev was leader of the Soviet Union and the ship was named the Yuri Andropov, after the late Soviet leader and KGB boss. Many predicted it would never be finished, and it languished for years at a St. Petersburg shipyard. President Boris Yeltsin changed the name in 1992.

Russia scraped together enough money to bring it close to completion, and the ship was formally commissioned at a ceremony April 18 at the headquarters of the Northern Fleet in Severomorsk. Hoisted above was the flag bearing the St. Andrew's Cross, a symbol dating back

to Russia's sea-loving czar, Peter the Great.

Andrei Kokoshin, secretary of the Russian security council, declared, "I can see that our fleet is alive and getting on its feet again, albeit in a hard and tortuous process."

Admiral Igor Kasatonov, deputy navy commander, told the Interfax news service, "The Peter the Great is a 21st-century ship with immense potential."

But many analysts consider the ship a huge white elephant with no real purpose. Russia can not afford such a giant warship, nor does it need one. The emphasis today is not on mammoth vessels but rather on building smaller, more versatile ships, analysts said.

The ship was designed in the 1970s when the Soviet Union's military planners wanted to be prepared for a global conflict; the missile-laden ship was intended to be an aircraft-carrier killer in the Pacific.

Today, however, the Russian military is shrinking rapidly for lack of money, and costly global military missions are out of the question. Analysts said the Peter the Great would never make it to the Pacific Fleet; there is speculation that the navy may eventually have to close the Pacific Fleet and merge it with the Northern Fleet, keeping only one fleet in the north. According to Mr. Baker, the Pacific Fleet does not even have facilities for maintaining the massive ship, or refueling its twin nuclear reactors.

Russia has adopted a national security doctrine that says it will rely on its nuclear deterrent forces for the foreseeable future, while struggling to consolidate and rebuild weakened conventional troops. In practice, this has meant that some military

units, such as those in East Asia, are being assigned missions to protect strategic nuclear forces, such as submarine bases.

Even if it never sails, the Peter the Great's commissioning provided a little symbolic uplift for a country that was once a global naval superpower, but which today is struggling to retain a semblance of its former influence.

"I think they wanted a symbol of Russian naval power," said Dmitri Trenin, a military analyst at the Moscow center of the Carnegie Endowment for International

Peace. "I think that's why they decided to concentrate resources in completing it when so many others were left rusting away."

Russian Navy officials have been quoted as saying the Peter the Great may be used for training, but could never be used in combat, because Russia lacks the proper escort ships; without an escort it would be just a huge sitting duck.

The cost of the ship is not known but some informal estimates are about \$1 billion.

The ship boasts a special presidential cabin. Mr. Yeltsin has visited once.

## Whose Nosy Submarine Was It?

Moscow Asserts That U.S. Intruded on Missile Destruction

Washington Post Service

MOSCOW — Russia has complained to the United States about a mysterious submarine incident that occurred last December in the Barents Sea as the Russian Navy was destroying ballistic missiles under the START-1 Treaty.

On Dec. 3 and 4, a submerged Russian Typhoon submarine launched 20 intercontinental ballistic missiles as part of a destruction routine under the arms control treaty. The missiles, which did not carry nuclear warheads, were blown up about 30 seconds after launching at an altitude of about three kilometers (two miles), Russian officials said.

The Russians had announced the planned destruction, which is unusual; missiles are usually taken apart and cut up. Russian officials had said that the explosion method would be cheaper.

The Russians said the destruction was observed by seven U.S. inspectors aboard an anchored hydrographic vessel.

But the Russians complained to the U.S. Embassy in Moscow that another submerged submarine appeared on the scene. They say it was an American Los Angeles class submarine, apparently gathering data about the launchings.

A senior Russian Navy official said the sighting submarine was within six and a half kilometers (four miles) of the Typhoon.

A Russian vessel signaled the submarine to get out of the way, but it did not respond. After that, a helicopter dropped depth charges, which were detonated, and the submarine left, the official said.

The U.S. Navy refused to comment. But officials indicated that the submarine was not American. The Russian officials said they were sure it was a U.S. submarine.

# Otto Bettmann, Photo Archivist, Is Dead at 94

BOCA RATON, Florida — Otto Bettmann, 94, a refugee from Nazi Germany who built a small collection of photographs into the world's largest collection of images, died here Friday.

Mr. Bettmann fled Germany in 1933 with little more than two steamer trunks full of old photographs, his money having been seized by German customs agents as a "leaving-the-Reich" tax after he was expelled from his job for being Jewish.

Nazi officials had examined the photographs and dismissed them as worthless, but Mr. Bettmann made them the basis of what would become the Bettmann Archive, a 16-million-photograph library based in New York that was sold for millions to Corbis Corp., a company wholly owned by Microsoft Corp.'s founder, Bill Gates.

Pictures in the archive include such familiar images as Winston Churchill giving his victory sign at the end of World War II, a U.S. astronaut walking on the moon, Albert Einstein sticking out his tongue and Marilyn Monroe standing over a street grate as her skirt blew up.

In addition to building the archive, Mr. Bettmann wrote 14 books, including a best-selling photo essay "The Good Old Days — They Were Terrible" in 1978.

Born in 1903 in Leipzig, Mr. Bettmann worked as a curator of Berlin's Prussian State Art Library before leaving Germany.

**Samuel Cummings, 71, Dealer of Small Arms**

WASHINGTON (NYT) — Samuel Cummings, 71, the world's biggest small-arms dealer, died April 29 in Monaco after a series of strokes. He had long reigned as the undisputed philosopher-king of the arms trade.

"The arms business," he told an interviewer in 1989, "is based on human folly, and folly has yet to be measured nor its depths plumbed." His biographers described him as a pleasant and law-abiding merchant of death.

His company, Interarms, did \$100 million worth of business in a good year, and over the course of four decades it had many. It dealt guns and ammunition to dictators, despots, revolutionaries and counter-revolutionaries — and, in one notable case, to both sides in a Central American guerrilla war.

Any government or guerrilla movement needing 30,000 automatic rifles in a hurry could dial Interarms's telephone numbers in Alexandria, Virginia, or Manchester, England, and take delivery in days subject to cash and certain licensing niceties.

**Pierre Fourcaud, 100, Soldier and Spymaster**

PARIS (Reuters) — Colonel Pierre Fourcaud, 100, who helped set up the Free

French secret services in London during World War II and remained a spy master through part of the Cold War, has died in Paris, his family said Tuesday.

Born in St. Petersburg, Russia, of a French father and Russian mother, Colonel Fourcaud joined the French Army in 1916, was wounded three times during World War I and was awarded a battlefield commission to become an officer.

Patrick Hayes, 89, an

American impresario who presented musicians, singers and dancers in Washington for decades, died Sunday in Washington.

BEFORE YOU LOCATE YOUR BUSINESS IN CHESAPEAKE, MEET A FEW OF YOUR NEW NEIGHBORS.

Panasonic  
VOLVO  
PENTA  
Canon  
SUMITOMO

Your new neighbors speak English, Spanish, Japanese, French, German, Italian, Swedish, Dutch and Taiwanese. Companies reaching the world over for that rare combination of global competitiveness and high quality of life find it in Chesapeake.

Chesapeake  
THE WORLD'S DAILY NEWSPAPER

## KAZAKHSTAN INVESTMENT SUMMIT

Almaty, June 4-5, 1998

If you are interested in Kazakhstan's wide array of investment opportunities, the International Herald Tribune's Kazakhstan Investment Summit will give you valuable insights and an inside edge.

H.E. President Nursultan Nazarbayev will give a keynote address at the Summit.

Other speakers will include key members of Kazakhstan's national and regional governments, as well as financial, business and political leaders from around the world.

The lead Summit Sponsor is  
Hurricane Hydrocarbons Ltd.



For further information, please contact:  
Ursula Lewis  
International Herald Tribune,  
63 Long Acre, London WC2E 9JH  
Tel: (44 171) 420 0309  
Fax: (44 171) 638 0717  
E-mail: ulewis@iht.com





INTERNATIONAL

# New Cancer Drugs, Still Years Away, Already in Demand By Patients

By Ian Fisher  
New York Times Service

NEW YORK — Dr. Larry Norton, a cancer specialist in New York City, received a telephone call at his home at 7:30 A.M. from a rich and very sick man.

"Would a large infusion of cash," the patient asked, "be able to get me the drug any quicker?"

The patient was referring not to one drug but to two drugs — angiostatin and endostatin — that have long stirred cautious excitement in the world of cancer research. Now that excitement — less cautious and steeped in the hope of the sick and dying — appears to be flooding out of the laboratory after reports that the earliest tests involving the drugs have eradicated tumors in mice with no side effects.

Many cancer institutes, doctors and support groups for cancer patients reported a surge of phone calls from people desperate to merely curious. Chat rooms on the Internet were filled with heart-breaking talk. "If this proves to be the thing that could have cured my baby," wrote one man whose daughter has cancer, "it will be devastating to me."

## Buying at Opening of Market, Investors Find Entremed's Stock Is No Panacea

Reuters

NEW YORK — Investors who placed orders to buy Entremed Inc. shares at the start of trading Monday found themselves crushed under a 40 percent loss by the end of the day.

"They got killed," a trader said. "That's what happens when you put in orders like that. You have to

let the market open up first before you buy."

The stock bedazzled traders even before the Nasdaq market officially opened with an explosive lift from its Friday closing price of \$12.065 before news of its anticancer drugs became public.

In just 60 minutes of trading on the Internet, Entremed rocketed

from roughly \$20 a share to around \$84 a share, which became the official price when the Nasdaq opened.

But the stock stayed in the stratospheric 80s for only six to seven minutes.

Investors who put in orders to buy at the market opening price — thinking they were getting in at the

beginning of the action — ended up buying at the peak and ultimately sustained losses.

After the opening rush subsided, shares quickly fell, eventually closing at \$51.78 — a gain of \$39.75 for the day but still well below the opening price of \$84.

In midday trading Tuesday, the stock had declined to \$46.

# Chirac Warns His Party To End Paris Bickering

By Craig R. Whitney  
New York Times Service

PARIS — With his conservative Gaullist party crumbling under the weight of financing scandals, election losses and personal rivalries, President Jacques Chirac privately warned supporters Tuesday to stop bickering or face the loss of one of their last bastions, the city hall of Paris.

Mr. Chirac was himself mayor of Paris for 18 years before he was elected to a seven-year term as president three years ago and chose Jean Tiberi, a longtime ally, as his successor.

The turmoil in the *mairie* in Paris is symptomatic of a growing national crisis in their Rally for the Republic party and other conservative movements caught between the far-right National Front and the leftist parties that have been running the government since last year.

Privately, even some members of Prime Minister Lionel Jospin's Socialist Party say they are concerned about the implications of conservative weakness for the stability of French democracy.

The trouble started after a decision in March by leaders in five French regions to accept support from the National Front rather than lose power. The Na-

tional Front's leaders, Jean-Marie Le Pen and Bruno Megret, say their party, which now regularly wins 15 percent of the vote, is the main conservative force in France with the waning of the Gaullists.

One moderate conservative group, the Union of French Democracy founded in 1978 by Valéry Giscard d'Estaing when he was president, dismissed three of its leaders for accepting National Front support and is on the verge of breaking up.

The Rally for the Republic, founded by Mr. Chirac in 1976 as a vehicle for his presidential ambitions, has been in the throes of an identity crisis since legislative elections he called last year to strengthen the conservative government produced a surprise Socialist victory instead.

Mr. Tiberi's hold on power in Paris began to weaken then, but now a running mud-wrestling match in his majority in the city council has sown the seeds of a rout three years before scheduled municipal elections. The mayor has dismissed more than a dozen of his deputies for disloyalty, yanked their chauffeured limousines and vowed to hand out power, but Mr. Chirac warned party members Tuesday that the dispute was "counterproductive."

The main troublemaker in Mr. Tiberi's eyes is Jacques Toubon, a fellow Gaullist who the mayor says is still bitter that he was passed over to succeed Mr. Chirac three years ago.

Early last month, Mr. Toubon and 30 other defectors from the Gaullist majority in the 163-member city council formed a political group to make municipal government in Paris "more democratic and aboveboard."

Mr. Chirac's leftist critics say this would be a novelty after two decades of autocratic Gaullist rule over an empire of 38,000 civil servants and an annual budget of about \$4 billion.

On Monday, insults fairly flew in the ornate city council chamber, with one conservative rebel comparing the mayor to the head of an organized crime family and Mr. Tiberi calling the remarks "miserable and insulting."

The mayor has resisted suggestions that another old Gaullist rival of Mr. Chirac's, Edouard Balladur, a former prime minister, should step in as a peacemaker and replace him as mayor.

"Nobody wants Balladur in the Paris city hall," he told the newspaper *Le Monde*.

But according to a telephone poll of 602 Parisians conducted recently by the French Public Opinion Institute, 44 percent would prefer Mr. Balladur to Mr. Toubon or Mr. Tiberi, while 49 percent said they would be happy to see Dominique Strauss-Kahn, the Socialist finance minister, take over. That is a possibility if the left wins the municipal elections in 2001.

Mr. Tiberi has so far survived judicial inquiries into the way municipal business was conducted in France before an order to break of party financing scandals early this decade. Last year, after investigators conducted a search of his private offices, he testified that he knew nothing about payoffs to party coffers for public housing contracts in Paris, an act that has led to the indictment of four city officials who served under him since 1979.

An indictment accusing Mr. Tiberi of complicity in embezzlement of public funds for a 200,000 franc (\$33,000) co-salting contract given by a neighboring region in 1994 to his wife, Xaviere, was also dismissed last year by the Paris appeals court.

Early this year, the Constitutional Council, a sort of administrative Supreme Court, found that electoral rolls in his home district in Paris had been padded to ensure his election to Parliament last year, but not by enough to invalidate the close result.

## DUTCH: Prime Minister Favored at Polls Despite Brussels Deal

Continued from Page 1

The question is whether the third member of the coalition, the Social Liberals, will lose its place in the "violet coalition" formed after the 1994 elections.

The Green Left party could win enough seats to be a coalition candidate, although the party's spending policies are likely to make it an uncomfortable partner with Mr. Kok's fiscally tight-fisted Social Democrats.

Analysts said prime ministers were traditionally popular candidates for reelection in modern Dutch politics. Mr. Kok, a former leader of the country's



Pope John Paul II with Alois Estermann and his wife during a private Vatican audience last year, before the Swiss Guard took over the corps.

## VATICAN: Slayings Attributed to Madness

Continued from Page 1

turned sour, a theory that quickly spread after the deaths were discovered.

"I knew them both well, they were model couple," he said. "The fact that they did not have children did not bother them too much because they dedicated their spare time to charity."

The Vatican is an independent city-state, with its own jurisdiction and police force. Though Italian forensic consultants were called in to perform the autopsies, the investigation was conducted by the Vatican prosecutor, Gian Luigi Marone. After the autopsies are completed, Mr. Navarro said, another Vatican legal authority, Nicola Picardi, will determine whether further investigation — by Vatican authorities — is necessary. Few outside the Vatican expected the investigation to go any further.

Swiss Guards, who are all Swiss citizens, live in their own barracks inside the Vatican, where they also train and take their meals, served by Swiss nuns. Theirs is an insular community even within the close-knit world of the Vatican. Young guards and even officers sometimes chafe at the rigid discipline and restrictions of both army and church. In uniform, they carry 2-meter (7-foot) pikes and tear gas. They do not carry guns but are trained in shooting, and on patrol trips some guards sometimes carry side arms. There is a gun room in the barracks, which is at St. Anne's Gate, a prominent Vatican courtyard.

"Whatever is to be said has been said, the Vatican will never speak about it again," predicted a European diplomat who is based in Rome. "But that does

not mean they've said everything."

Commander Estermann, who was mourned Monday by among others, Pope John Paul II, as an exemplary military leader and Christian, was not immediately named head of the 100-man unit when the job opened up. Instead, the Vatican took seven months to search for a different candidate for the job. By tradition, commanders are Swiss, Roman Catholic and of noble birth. The Vatican named Commander Estermann, a commoner, on Monday morning.

"It sometimes happens that the person you are searching for was under your nose all along," Mr. Navarro-Valls said.

The murder of Commander Estermann and his wife of 15 years was the most brutal act of violence to take place inside the Vatican walls since the May 13, 1981, assassination attempt on Pope John Paul II.

The bizarre attack, however was not unprecedented. On April 18, 1959, a Swiss Guard, Adolf Rucker, showed up at the door of his superior officer, Colonel Robert Nunlist, bearing a personal grudge and a gun. Colonel Nunlist was able to disarm him, and no one was hurt. Colonel Rucker, who was forced to resign, tried to commit suicide by shooting himself, but was only slightly injured.

The most recent killing of a Vatican official took place outside its walls, but was just as shocking. Enrico Sini Luzzi, 67, a descendant of minor nobility with the title of Gentleman of His Holiness, was found dead in his Rome apartment in January, clad in his underwear with a cashmere scarf wrapped around his neck, apparently a victim of a homosexual tryst that turned violent.

## IRAN: Terrorism Assayed

Continued from Page 1

administration about the underlying facts — Iran has continued to provide money, training and weapons to such Middle East terrorist groups as Hamas, Hezbollah and Islamic Jihad, according to intelligence information received well after Mr. Khatami's inauguration last August.

But the difference in tone between officials in the State Department, which has long backed a strident posture against Iran, and the intelligence analysts was striking.

One explanation may be that the director of central intelligence, George Tenet, has embraced the view — still controversial in Washington — that Mr. Khatami's election could eventually lead to a major change in Iranian domestic and foreign policy.

Testifying in late January before the Senate Select Committee on Intelligence, Mr. Tenet said Mr. Khatami leads a group of moderates engaged in "a genuine struggle" with hard-line conservatives. He said then that even though Mr. Khatami won 70 percent of the vote, the hard-liners remain a formidable obstacle and still control key defense and security organizations.

Mr. Tenet's views are said by several officials to have played a major role in the administration's decision to soft-pedal some of its anti-Iran rhetoric and to respond with cautious optimism to Mr. Khatami's plea on Cable News Network in January for unofficial exchanges that might break down a "bulky wall of mistrust" with the United States.

### Warning by Tehran

Senior Iranian officials are warning that recent U.S. actions have jeopardized prospects for an end to 20 years of hostility, the Los Angeles Times reported from Tehran.

Iran asserts that a growing list of negative policy decisions signals U.S. rejection of that initial step toward eventual rapprochement.

The decisions include launching Radio Free Iran, blocking a proposed Caspian pipeline through Iran, refusing to certify Iran's widely acclaimed anticorruption program, undermining participation in the Islamic Conference summit in Tehran, humiliating Iranian visitors to the United States at a time when Americans are now welcome in Iran and citing Iran as the world's most active state sponsor of terrorism.

"The United States is losing an important opportunity by simply not being able to show in concrete terms that it is ready to crack the wall of mistrust," the deputy foreign minister, Mohammed Javad Zarif, said in an interview.

Despite a more pleasant facade in the U.S. administration's words about Iran, we see the same policies and even new policies adopted," Mr. Zarif added.

## Paris Said to Be Irked Over New Israeli Envoy

Agence France-Presse

JERUSALEM — Senior French officials have strong reservations about the appointment of Israel's departing ambassador to Washington, Elihu Ben Elissar, as the Jewish state's new envoy to Paris, the Ha'aretz newspaper reported Tuesday.

Israel announced last week that Mr. Ben Elissar was being shifted to Paris from Washington, reportedly because Prime Minister Benjamin Netanyahu felt he had failed to adequately defend

Israeli policy during his two years in the United States.

Mr. Ben Elissar, an outspoken hawk on issues concerning the Middle East peace process, also alienated senior U.S. officials, including Secretary of State Madeleine Albright, according to Israeli press reports.

Ha'aretz said French officials were irked that a diplomat who failed in Washington was considered appropriate to handle Israeli-French relations, and France's ambassador to Israel.

## MIDEAST: U.S. Presses Israel on Plan

Continued from Page 1

meetings, seemed pleased to have Mrs. Albright as his advocate in his dispute with Mr. Netanyahu. The Palestinian leader is clearly happy to avail the outcome of this ongoing dispute between Israel and the United States.

Mr. Netanyahu said he would consult with his cabinet. The Israeli government must agree to the refined American proposals by Sunday evening in order to make the Monday meeting, U.S. officials said. The officials declined to say that they were optimistic that the Israelis would agree, only hopeful.

"There are serious differences still, and we just don't know if we can bridge the gaps," said Mrs. Albright's spokesman, James Rubin.

Mrs. Albright said that while some minor refinement of the U.S. proposals was possible in working-level talks with Israeli officials that continue in London, "the invitation to the Washington meeting is on the basis of those ideas and watering them down is not in the works."

The proposal for a 13 percent withdrawal from land Israel now controls in the West Bank is understood to be a firm number, but American and Israeli officials continue to discuss what Mrs. Albright called "helpful and construct-

ive ideas" from Mr. Netanyahu on how to structure that withdrawal.

Publicly, Mr. Netanyahu's spokesman, David Bar-Ilan, has said that it is impossible, on security grounds, to agree to a 13 percent withdrawal, but Mr. Netanyahu is understood to have moved close to that figure in the two days of talks here.

"There are still some critical aspects that need to be discussed," said Mrs. Albright, who will remain in London ready to consult, if necessary.

"We didn't resolve everything here, obviously. There has been progress across the board," she warned that the American efforts to mediate between the two sides, without taking public positions about what should be done or which side is to blame for failure, could not continue if no agreement is reached by Monday.

"We have been engaged in what I consider a vigorous effort to achieve an agreement and we will continue to do so in the coming days," she said. "But if agreement is not achieved we will have to re-examine our approach to the peace process."

Mrs. Albright said that for its own national interests, the United States could not walk away entirely from efforts to find a comprehensive peace in the Middle East.



Mrs. Albright heading to talks Tuesday.

"It's too important to the United States and to our friends in the Middle East, but we will need to re-examine the way we go about it," she said. "The United States remains committed to a comprehensive Arab-Israeli peace, and frankly the question is what is the best way for us to bring the parties to the point of making the necessary decisions, and that is what we're looking at."

Mr. Netanyahu has urged that President Clinton not announce a public American proposal that an elected Israeli prime minister is bound to reject. The pro-Israel American lobby, the American Israel Public Affairs Committee, strongly encouraged 81 senators to sign a letter in Mr. Clinton urging the same.

But after what the Americans consider to have been an extraordinary effort over the last month or so to meet Israel's concerns — including the proposal of starting the final-status talks before, not after, a further Israeli withdrawal — Mrs. Albright and her aides clearly wanted Mr. Netanyahu to think hard about the consequences of a more forceful and public American role.

"We have a strategic opportunity to put the peace process back on track, and we cannot afford to lose it," she said.

Mr. Netanyahu said earlier, before leaving London, that Israel's security was his paramount concern, and he made no apologies for departing without a final agreement.

U.S. officials had said they wanted the London meetings to be "decisive." Asked if they were, a senior official replied, "We'll know in a few days."

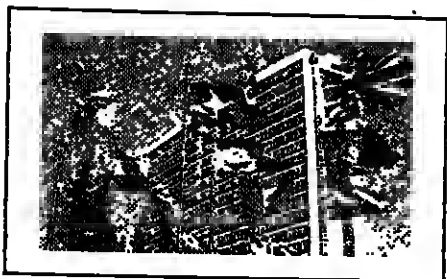
Now that you



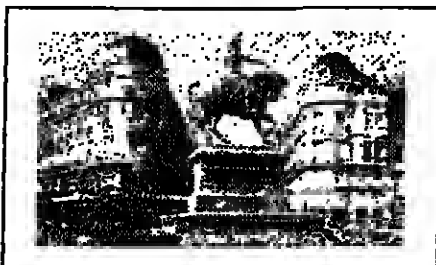
http://www.Dexia.com



Now that you know where we are, perhaps you would like to know more about us.



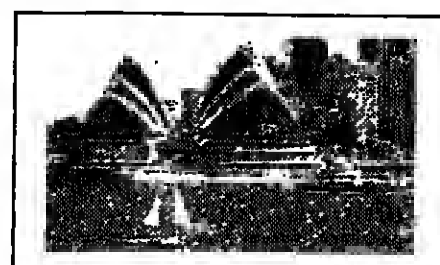
LUXEMBURG



ORLEANS



MILAN



SYDNEY



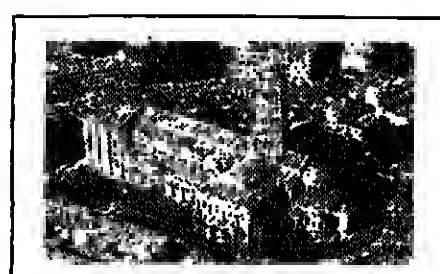
LYON



MONS



NEW YORK



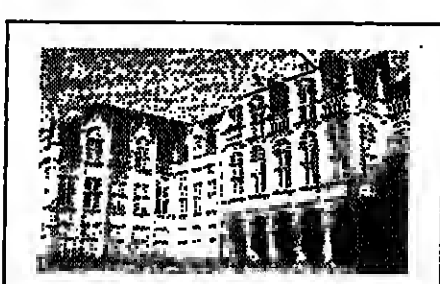
TOULOUSE



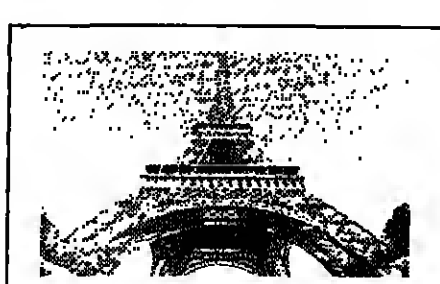
JERSEY



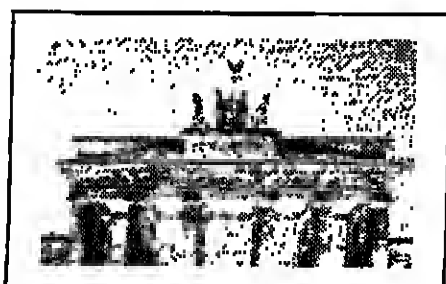
ROME



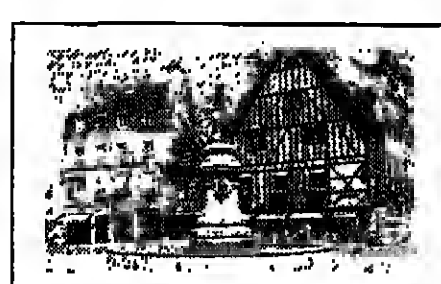
LIEGE



PARIS



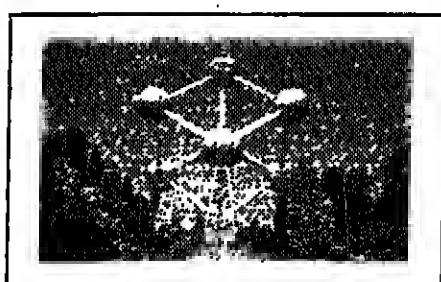
BERLIN



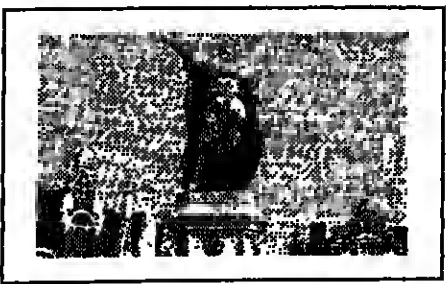
OIJON



RENNES



BRUSSELS



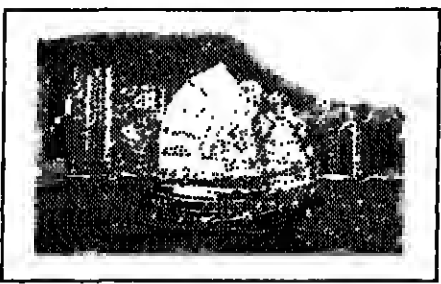
GAND



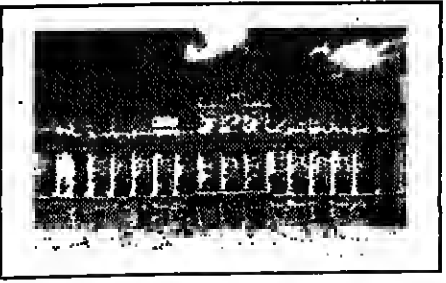
SINGAPORE



ZÜRICH



HONG KONG



MADRID



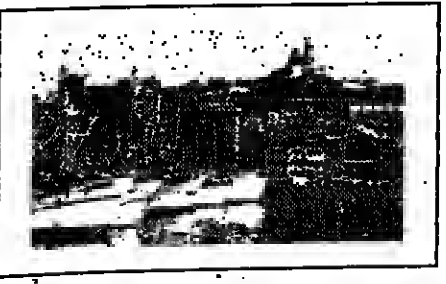
MONACO



LILLE



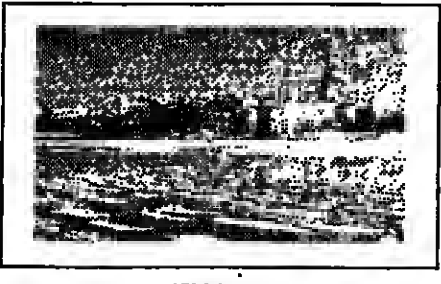
LONDON



MARSEILLE



NANCY



STOCKHOLM



ANTWERP



Dexia, the European banking group created by the merger of Crédit local de France and Crédit Communal de Belgique, reported total assets of 185 billion euros

at the end of 1997. Dexia is the European leader in the financing of public service facilities and is also active in commercial banking and asset management.



# THE INTERMARKET

## BUSINESS OPPORTUNITIES

**Sculpture World**  
Best One Person Opportunity  
A Sculpture World Franchise  
This is the opportunity to own a business that is growing rapidly and has a proven track record. The Sculpture World Franchise is a unique and exciting business opportunity that offers a wide range of products and services. The Sculpture World Franchise is a unique and exciting business opportunity that offers a wide range of products and services.

**SUBSTANTIAL PROJECT FUNDING AVAILABLE**  
Low Fixed Interest Rates  
Immediate Response  
No fees charged to applicants  
Brokers arrangements respected.  
For details fax a brief summary on 44-1923-824848.

Can a one time investment of \$25,000 generate a monthly income of \$10,000? Yes, it is possible! With Kama's GOLD AND CASH MACHINES.  
Produce instant profits from T-Shirts, Coffee Mugs and Gold Medals. Operate from home and deliver to clients or set up in hot retail areas where customers come to you. No direct sales involved. Simple to operate and transport with average cost.  
KAMA SYSTEMS, Inc. 10000 North 10th Avenue, Suite 100, Phoenix, AZ 85020  
Tel: 480-412-0232 Fax: 480-412-0232

**SET UP OF CORPORATIONS**  
Incorporation in USA, low costs. Personal (Discretionary and Reserved) for all international clients.  
Brokers welcome.  
Start request in English to 001-41340-3377 FAX and/or send letter to ESPRIMO INVESTMENTS INC. PO Box 614981 Miami, FL 33161-4981

**OFFSHORE COMPANIES**  
LEADING INTERNATIONAL SPECIALISTS  
Offshore Companies & Trust Formation  
• Fast, efficient, professional.  
• Management, business & administration services.  
• Bank introductions.

**EMPIRE STATE BUILDING ADDRESS**  
Gain instant credibility. Establish a NY presence in the world's best-known building. Mail received, phone answering, conference room, furnished mini-office. Empress State Business Center  
Tel: 212-768-0072 Fax: 212-764-1155

**BARONIAL TITLES**  
Since established in 1826 "Burkes Peerage" has published and dealt with the Aristocracy of Europe. To acquire an authentic ancient Scottish or French title with confidence contact us at Dept. L.H.T.  
Suite 202, Albany House, Regent St., London W1B 5AA  
Phone/Fax: (+44) 1903 700476

**INTERNATIONAL PROJECT FINANCING**  
Capital Investment Agency, London Borough of Bromley, BR1 1RY  
Tel: +44 181 464 4442  
Fax: +44 181 467 7282  
Fax: +44 181 460 1364  
+44 181 467 6744

**BUSINESS FINANCE AVAILABLE**  
For any viable projects worldwide.  
Fax brief synopsis in English to: Corporate Advances UK  
Tel: +44 1273-621300

**CHARTERHOUSE GROUP LIMITED**  
Tel: +44 1624 817494  
+44 1624 816339

## LEGAL NOTICE

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK  
UNITED STATES OF AMERICA  
-vs-  
GREGORY PAUL TIMBELL,  
Defendant.

**NOTICE OF FORFEITURE**  
NOTICE IS HEREBY GIVEN that on April 1, 1998, in the above captioned case, the Honorable Thomas C. Platt, United States District Judge for the Eastern District of New York, entered a preliminary order of forfeiture concerning and forfeiting the following property to the United States of America: 1. \$900,000 in currency on deposit in account number 23102711 in Bank Julius Baer & Co., AG 8010 Zurich, in the name of Charles Gardner; 2. All funds on deposit at Standard Chartered Bank in the name of Gregory Paul Timbell, Charles Gardner, Gregory Gardner, Adrian David Greg, Adrian David Hall, David Adrian Hall, John Harris, Adrian Hopkins, Joseph Adrian Hopkins, Ronald David Hopkins, Paul Martin, John Merzick, Richard Joseph Mery, Richard Mery, Milton Jackson Parke, Michael Santos, Chris Stevens, Adrian Timbell, or Gregory James Timbell; 3. All funds on deposit at Citibank in the name of Ronald David Hopkins, Gregory Paul Timbell, Charles Gardner, Gregory Gardner, Adrian David Greg, Adrian David Hall, David Adrian Hall, John Harris, Adrian Hopkins, Joseph Adrian Hopkins, Ronald David Hopkins, Paul Martin, John Merzick, Richard Joseph Mery, Richard Mery, Milton Jackson Parke, Michael Santos, Chris Stevens, Adrian Timbell, or Gregory James Timbell; 4. All funds on deposit at ADB Bank in Amsterdam, in the name of John Harris, Gregory Paul Timbell, Charles Gardner, Gregory Gardner, Adrian David Greg, Adrian David Hall, David Adrian Hall, John Harris, Adrian Hopkins, Joseph Adrian Hopkins, Ronald David Hopkins, Paul Martin, John Merzick, Richard Joseph Mery, Richard Mery, Milton Jackson Parke, Michael Santos, Chris Stevens, Adrian Timbell, or Gregory James Timbell; 5. Contents of any private storage units located in Venice Beach, California; and 6. All other funds on deposit at any other financial institution anywhere in the world.

## NOTICE OF SEIZURE

NOTICE IS HEREBY GIVEN that by virtue of Warrant for Arrest in Rem, issued by the U.S. District Court for the District of Maryland, in an action entitled U.S. v. Shepe Kewra, et al., I, Special Agent Andrew J. Hoch, U.S. Secret Service, arrested on November 14, 1997, said property described under Criminal Docket No. P-97-0108 and filed with the Clerk of the court for the District of Maryland for violation of 18 U.S.C. § 5134d and 1956 and 19 U.S.C. § 981, and which action request that the said property be seized for condemnation and confiscation and requests such costs and disbursements as decreed by the Court. Any person who is entitled to possession, or claiming an interest in or to said property, pursuant to Supplemental Rule C(5) of the Certain Admiralty and Maritime Rules, Federal Rules of Civil Procedure, and within 10 days after publication must file a claim with the Clerk of the Court, U.S. District Court for the District of Maryland and make service upon the attorney for the plaintiff, and must serve their answers within 20 days after the filing of their claims. All interested persons should file claims and answers within the time so fixed, or be defaulted and said property be condemned and forfeited to the use of the United States of America. DAVID L. SALEM, Assistant United States Attorney, Suite 400, U.S. Courthouse, 6500 Cherrywood Lane, Greenbelt, Maryland 20770, attorney for the plaintiff.

## PRIVATE LENDER

Real Estate Sec'd Camp? Loans  
Up to 80% loan to value  
\$5,000,000 - \$300 Million (US)  
• 1 to 5 Year Term - Land Dev.  
• Acquisitions • Workouts  
• Bankruptcies  
• Brokers Welcome  
Contact: Bob KENNEDY FUNDING  
Hackensack, NJ USA • 201-342-8500  
www.kennedyfunding.com

## UK & Offshore Company Specialists

The Company Store is one of the largest established professional firms specializing in UK and INTERNATIONAL company formation and associated services.  
• Free advice  
• Free company brochures  
• Free annual audit  
• Full assistance & documentation  
• Accredited accountants  
• Ready made & turn of mind company  
• We undertake to refund the difference if you are not 100% satisfied with our service elsewhere at a lower cost.  
FREEPHONE UK 0800 20 26 62  
THE COMPANY STORE  
100 Colindale Avenue, London NW9 1ST  
Tel: 0181 235 3333 Fax: 0181 235 3333  
Email: info@company-store.co.uk  
www.company-store.co.uk

## YOU ARE HEREBY NOTIFIED

that the United States intends to dispose of this property in such a manner as the United States Attorney General may direct. Pursuant to Title 21, U.S.C. § 853 (a) (1), if you have a legal interest in this property, WITHIN THIRTY (30) days of receipt of this notice, you must position the United States District Court for the Eastern District of New York for a hearing to adjudicate the validity of your alleged legal interest in this property. If a hearing is requested, it shall be held before the Court alone, without a jury. The Plaintiff must be signed by the possessor under penalty of perjury, as established in 28 U.S.C. 1746, and shall set forth the nature and extent of your right, title or interest in each item of property, the time and circumstances of your acquisition of the right, title and interest in each item of property and any additional facts supporting your claim and the relief sought.

## FINANCIAL INVESTMENTS

**South Beach's Hottest New Condo Hotel & Income Opportunity!**  
1 Bedroom - \$139,990  
FULLY-FURNISHED  
Hotel Mgt. Co. will rent it for you.  
THE MERCURY  
100 Collins Ave. (1st St.)  
Miami Beach, FL 33139  
Phone: (305) 534-9996  
Toll-Free: 888-297-7417  
www.mercurycondohotel.com  
The offer is valid where published by law.

## FOR SALE

**FALCON 50 S/N 23**  
73338 TT 6460 LANDING  
Collins equipped  
On MSP  
Visible in Europe - please contact  
JET CONSULTANTS  
Phone: +33 (0) 1 47 20 36 90  
Fax: +33 (0) 1 47 20 19 95

## Offshore Companies, Trusts Tax Planning

**EXAMPLE INCORPORATION FEES**  
Belize - \$1,000  
Bahamas - \$1,000  
Cayman Islands - \$1,000  
Cyprus - \$1,000  
Delaware - \$1,000  
Florida - \$1,000  
Ireland (Non-Res) - \$1,000  
Isle of Man - \$1,000  
Jersey - \$1,000  
Others on request  
Credit Card payments accepted.  
Call NOW for more information.

## TELECOMMUNICATIONS

**DYNAMIC telecom**  
Qualified Agents Welcome  
Sell your customer base up to \$100,000 now!!  
Best Rates & Commissions!  
888 S. Andrews Avenue, #205, Fort Lauderdale, FL 33316  
Voice: 1-954-522-3100 Fax: 1-954-522-8242  
Contact: William Ellis  
Web Site: www.dynamictelecom.com  
Ask about our "City Sales Manager Program"

**Super Low Rates!**  
To the U.S.:  
France 19¢  
Germany 16¢  
Switzerland 19¢  
U.K. 12¢  
Netherlands 16¢  
Hong Kong 25¢  
MAXTEL  
The Callback service with the lowest rates everywhere  
Call for instant activation!  
Tel: (212) 629-3268  
Fax: (212) 629-3269  
maxinfo@maxtel.com.net

**New Lower International Rates!**  
France..... 27¢  
Italy..... 34¢  
Japan..... 36¢  
Singapore.. 33¢  
UK..... 17¢  
• Instant Activation  
• NO Set Up Fees  
• NO Minimums  
• Six-Second Billing  
• AT&T Quality  
• 24-hour Multi-lingual Customer Service  
The Original  
**callback**  
Tel: 1.206.599.1991  
Fax: 1.206.599.1981  
Email: info@callback.com  
www.callback.com  
417 Second Avenue West  
Seattle, WA 98119 USA

**READERS ARE ADVISED**  
that the International Herald Tribune cannot be held responsible for loss or damages incurred as a result of transactions originating from advertisements which appear in our paper. It is therefore recommended that readers make appropriate inquiries before sending money or entering into any binding contracts.

## COMMERCIAL REAL ESTATE

**FLORIDA Investment Opportunity**  
• 8,000 Acres, Divisible into 6 Parcels  
• 10 Minutes from Disney World  
• \$1.1 Million in Current Lease Revenues  
• One of the Fastest Growing Markets in America  
• Interchange Access  
• Between Orlando and Tampa  
• Excellent Frontage on I-4 Corridor  
Offering Deadline: JUNE 16, 1998  
For Information, Please Call  
Suzanne Martinez at (312) 228-2208  
LASALLE PARTNERS/CYPRESS GARDENS REALTY

## Zug - Switzerland

Choose your business location in an ideal environment. More and more international companies are attracted by the outstanding advantages of the Zug region.  
• tax incentives  
• low costs of living  
• highly trained workforce  
• excellent transport infrastructure  
• top-class living standards  
• stable political climate  
For further information please contact:  
mcr  
HARDING CONSULTANTS  
Lundstrasse 3  
8001 Zurich Switzerland  
Phone: +41 1 217 82 80  
Fax: +41 1 217 82 80  
Internet: www.mcr.ch

## INT'L FRANCHISES

**FIRE! FIRE!**  
Insurance Restoration is a multi-billion dollar a year, fast-growing industry. BMS Technologies is a world-wide leader in commercial & residential restoration services. We are seeking motivated, business minded entrepreneurs to join our world-wide Master Franchise system. Complete training & support, potential unlimited.  
1-817-332-1575  
Fax: 817-332-1575  
Email: bms@bmsnet.com  
www.bmsnet.com

## Next Special Heading

**REAL ESTATE IN & AROUND PARIS ON MAY 15**  
For more details please contact:  
**INTERNATIONAL HERALD TRIBUNE**  
in Paris  
Tel: +33 (0) 1 41 43 93 85  
Fax: +33 (0) 1 41 43 93 70  
E-mail: classified@iht.com

## Banking

**FUNDING COMMITMENT UP TO U.S. \$100M.** Immediately available at 1.5%. Also we provide documentary and standby letters of credit, bank guarantees. Fax: 302-882-1829 USA.

## Business Opportunities

## OFFSHORE

**Comprehensive Services**  
Tel: +44 (0) 1824 625591  
Fax: +44 (0) 1824 625128  
E-Mail: info@offshore.com  
Web Site: www.offshore.com

## Capital Available

**ANGLO-AMERICAN GROUP PLC**  
PROJECT FINANCE  
VENTURE CAPITAL  
GLOBAL COVERAGE  
NO MAXIMUM  
BROKERS WELCOME  
For Corporate Brochure and Information  
Tel: +44 1824 201 365  
Fax: +44 1824 201 377  
You are welcome to visit us.

## CAPITAL CORP.

**M & A**  
Corporate Finance  
Venture Capital  
(Worldwide)  
Tel: 001-407-248-0360  
Fax: 001-407-248-0037 USA

## Financial Services

**World Wide Financial Services:**  
Venture Capital  
\$5 Million & Up  
Letters of Credit  
3 months - 12 months  
\$50,000 & Up  
Investment Funds  
Ten Million to One Hundred Million  
Commercial Mortgage  
Mortgage Refinance  
Public Stocks  
Private Placement  
375 Park Avenue, New York, NY 10015  
Tel: 212-758-4242  
Fax: 212-758-1221

## PROJECT FUNDING

Hard to Place Loans  
Joint Venture Partnerships  
For Funding Programs  
Funds From \$100,000 to \$1,000,000  
Small Loans \$100,000 - Large Loans \$1,000,000  
Contact worldwide by FAX:  
New York: 212-758-1221  
London: 44-171-911-2897

## DIAMONDS

**ROUGH DIAMONDS.** We will pay instant cash for gem quality. Auction origin. Volume only. Fax: 954 474-3866 USA

## Franchising

## INTERNATIONAL FRANCHISING

A special editorial supplement in the International Herald Tribune  
May 25, 1998  
To advertise your business, contact:  
Contact your local RIT office or  
Justin King, RIT New York  
Tel: 212-758-3886 Fax: 212-758-4786  
Email: jking@iht.com

## Import/Export

**ROBUSTA COFFEE BEANS.** African origin, lowest prices. Tel Aviv, Israel. USA + 954 474-3866

## Financial Investments

**HOTTEST INVESTMENT '98.** Highest yield guaranteed by AA-rated bonds. PHFX (H) 81-252-1188. Agents wanted

## Financial Services

**FUNDING PROBLEMS?**  
by SOLUTIONS Contact  
**BANCOR OF ASIA**  
Banknote guarantees to secure funding for viable projects.  
**VENTURE CAPITAL**  
**EQUITY LOANS**  
**REAL ESTATE**  
Long term collateral Supported Guarantees  
Fax: (602) 810-4284  
Tel: (602) 810-4284

## COMMERCIAL & INVESTMENT PROPERTIES

## Sales

**QUEENSLAND COAST, AUSTRALIA**  
3700 acres unique FRESHWATER tropical rainforest in major tourist and Great Barrier Reef area. Aus \$3 million. Call Jason 041 41974016 Fax +61 74570533

## PRIVATE PLACEMENTS

Mail: Linda B. Hildner, Fax France +33 (0) 87 20 21 82

## SERVICED OFFICES DIRECTORY

**Attention Business Travellers**  
I.H.T. SERVICED OFFICES DIRECTORY EUROPE is published four times a year. Keep your COPY FOR FUTURE NEEDS!

## Serviced Offices

## START YOUR BUSINESS TODAY!

Business address, furnished offices, meeting facilities in Austria, Belgium, Brazil, Finland, France, Germany, Great Britain, Italy, Netherlands, Portugal, Switzerland, USA  
Please contact: Suzette Lenz  
Tel: +41-214 62 82  
Fax: +41-214 65 19  
www.wbnet.com

## BRIEFLY

### Asia Puts Embargo Atop Paris Agenda

PARIS — Deputy Prime Minister Jean-François Copé said that the Asian financial crisis would be a major topic at the summit of the French Foreign Ministers in Paris on May 13 and 14. A summit of French Foreign Ministers is being held in Paris on May 13 and 14. The summit will be the first since the Asian financial crisis began in July 1997. The summit will be the first since the Asian financial crisis began in July 1997.

### Bombs Wound 15 On Algeria Train

ALGERS — A train carrying 150 passengers was hit by a series of bombs in the Algerian capital of Algiers on May 5, killing 15 people and wounding 100 others. The train was carrying 150 passengers and was hit by a series of bombs in the Algerian capital of Algiers on May 5, killing 15 people and wounding 100 others.

### Quebec Clears Way For Cuba Dissidents

OTTAWA — The Canadian government has agreed to allow Cuban dissidents to travel to Canada to seek political asylum. The Canadian government has agreed to allow Cuban dissidents to travel to Canada to seek political asylum. The Canadian government has agreed to allow Cuban dissidents to travel to Canada to seek political asylum.

### For the Record

At least 15 people were killed and 100 wounded in a series of bombings in the Algerian capital of Algiers on May 5. The train was carrying 150 passengers and was hit by a series of bombs in the Algerian capital of Algiers on May 5, killing 15 people and wounding 100 others.

### PORTRAIT OF DR. GALT

The portrait of Dr. Galt is a book by Dr. Galt. The portrait of Dr. Galt is a book by Dr. Galt. The portrait of Dr. Galt is a book by Dr. Galt. The portrait of Dr. Galt is a book by Dr. Galt. The portrait of Dr. Galt is a book by Dr. Galt.

### BEST SELLERS

The portrait of Dr. Galt is a book by Dr. Galt. The portrait of Dr. Galt is a book by Dr. Galt. The portrait of Dr. Galt is a book by Dr. Galt. The portrait of Dr. Galt is a book by Dr. Galt. The portrait of Dr. Galt is a book by Dr. Galt.

### START YOUR BUSINESS TODAY!

Business address, furnished offices, meeting facilities in Austria, Belgium, Brazil, Finland, France, Germany, Great Britain, Italy, Netherlands, Portugal, Switzerland, USA  
Please contact: Suzette Lenz  
Tel: +41-214 62 82  
Fax: +41-214 65 19  
www.wbnet.com

### SERVICED OFFICES DIRECTORY

**Attention Business Travellers**  
I.H.T. SERVICED OFFICES DIRECTORY EUROPE is published four times a year. Keep your COPY FOR FUTURE NEEDS!

### Serviced Offices

### START YOUR BUSINESS TODAY!

Business address, furnished offices, meeting facilities in Austria, Belgium, Brazil, Finland, France, Germany, Great Britain, Italy, Netherlands, Portugal, Switzerland, USA  
Please contact: Suzette Lenz  
Tel: +41-214 62 82  
Fax: +41-214 65 19  
www.wbnet.com



INTERNATIONAL

BRIEFLY

**Aziz Puts Embargo Atop Paris Agenda**

PARIS — Deputy Prime Minister Tariq Aziz of Iraq will visit Paris on May 13 and 14 carrying a message from President Saddam Hussein, the French Foreign Ministry announced Tuesday.

A ministry spokesman said Mr. Aziz would meet President Jacques Chirac, Prime Minister Lionel Jospin and Foreign Minister Hubert Vedrine. He added that the letter from Mr. Saddam would respond to a message from Mr. Chirac that a senior French diplomat handed over in Baghdad in March.

French diplomats said Mr. Aziz's talks would focus on the United Nations trade embargo against Iraq as well as on bilateral relations. (Reuters)

**Bombs Wound 15 On Algeria Train**

ALGIERS — Two bombs exploded on a train traveling between the Algerian capital and the port city of Oran, wounding 15 people, a hospital source said Tuesday.

Four of the wounded were in serious condition after two bombs exploded, the source said. No one claimed responsibility for the attack, which took place as the train entered the tunnel near the village of Ain Tork, 130 kilometers (80 miles) south of Algiers. (AP)

**Ottawa Clears Way For Cuba Dissidents**

OTTAWA — The Canadian government has agreed to accept three more Cuban political prisoners released by Fidel Castro's government following a recent visit by Prime Minister Jean Chretien.

The three, including two with family ties to exiles already in Canada, were expected to arrive in Toronto on Tuesday after bad weather in Havana delayed their departure Monday night. (AP)

**For the Record**

At least 14 Mexicans trying to put out a forest fire in the southern state of Puebla were killed when a wind shift surrounded them in flames, officials said. (AP)

**Sudan and Rebels Talk As Famine Grips South**

By James C. McKinley Jr.  
New York Times Service

NAIROBI — A new round of peace talks between the Islamic government of Sudan and the main rebel faction has gotten under way here against a backdrop of a looming famine in the south because of protracted civil war.

Holding out an olive branch to the rebels and United Nations relief workers, the Sudanese government on Sunday gave permission for several extra cargo planes to fly food, seeds and tools into the worst-hit region, Bahr el Ghazal.

If the permission for the aircraft to enter Sudan is extended for several months, relief workers might be able to avert widespread starvation among the Dinka people in the region, aid officials said.

About 350,000 people are at risk of famine, they said. Aid agencies have been hampered by fighting between the government in Khartoum and the rebel Sudan People's Liberation Army.

A solution to the 15-year-old war at the root of the problem seems a long way off, the diplomats said.

"They are not ready to make peace," a Western diplomat said. "The biggest problem is a crisis of confidence. Neither side trusts the other."

The principal sticking points have been disagreements over how and when to hold a referendum on autonomy for the south and whether the national government should be strictly secular, as the rebels demand, or Islamic in spirit, as the current government insists.

Since 1983, the government, dominated by the mostly Muslim and Arab north, has been fighting several factions of black Christian and animist rebels across the south, who have often fought against each other as well.

Hundreds of thousands of people have died in battles, cattle raids, famines and simple banditry associated with the war. In 1989 alone, nearly 250,000 people starved to death in Bahr el Ghazal, prompting the United Nations

to set up an airlift operation in Kenya that is still going on.

In 1989, an Islamic militant party overthrew the government in Khartoum in a military coup, renegeed on a nascent peace agreement with the rebels and began pursuing the war with new vigor.

Since then, the government has reached peace agreements with several southern warlords, promising them a federal system, a referendum on independence within four years and a lifting of Islamic laws in southern states.

But the Sudan People's Liberation Army, commanded by John Garang, has rejected the government's offers, saying they are a trick intended to divide the rebellion.

Though he has said his soldiers were fighting for independence, Mr. Garang and his followers maintain that they want a united Sudan with a secular government that ensures equal rights for southerners, a demand that the Islamic regime in Khartoum is unlikely to accept.

Underlying the stalemate are political, religious and cultural divisions between north and south and a distrust bred of many broken agreements over the years.

The rebel army and its political wing, the Sudan People's Liberation Movement, are pushing a loose, secular confederation and a referendum on independence after two years.

But the government is proposing a tighter federation based on Islamic ideals and a referendum in four years.

Last September, Khartoum accepted the principle of self-determination for the south, a pivotal concession.

Khartoum has also recently promulgated a new constitution guaranteeing, on paper at least, freedom of religion and assembly, though it says Islamic law will be the basis for all legislation.

The two sides do not seem far apart in their positions, but neither is desperate to reach an accord now, diplomats said. With the rainy season arriving, fighting has subsided. The rebels are holding much of the countryside in the southern provinces, and the government holds the major towns, railheads and ports.

**Russia Accedes to a European Rights Treaty**

Agence France-Presse

STRASBOURG — Russia formally handed over the instruments of ratification of a European human rights convention, finally fulfilling commitments it made upon joining the Council of Europe in 1996.

It was the last of the 40 member countries of the council to ratify the convention, which outlaws torture and

inhumane or degrading treatment, when the Russian upper house voted in favor of the treaty in March.

Foreign Minister Yevgeni Primakov said Russia, with others in the council, would "continue to remove the last vestiges of the Cold War and the consequences of a divided world to face up to the new demands of the epoch after the confrontation."

BOOKS

**PORTRAIT OF DR. GACHET**

The Story of a van Gogh Masterpiece

By Cynthia Saltzman.  
Illustrated. 408 pages.  
\$25.95. Viking.

Reviewed by Michiko Kakutani

VAN GOGH'S "Portrait of Dr. Gachet" may not be as famous as "Starry Night" or one of his sunflower paintings, but it remains an iconic masterpiece of modernism, the last major portrait the artist completed before his suicide on July 28, 1890.

The melancholy countenance of van Gogh's doctor stands not only as a testament to the painter's understanding of his own nervous disorder, but also, in his words, as the "heartbroken expression of our time." It embodies all the angst and longing of the turn-of-the-century world the artist saw around him.

A century later, when "Portrait of Dr. Gachet" was sold by Christie's auction house for a record-breaking \$82.5 million, the painting became emblematic of a very different sort of fin-de-siecle phenomenon: the commodification of

art, which had accelerated in the 1980s, that era, as Cynthia Saltzman writes in her new book, of "high-flying stock markets, sudden wealth on a vast scale and financial empires founded on debt."

Bought by a wealthy Japanese businessman, the painting would end up in a cloth-covered plywood box stored in a climate-controlled warehouse somewhere in Tokyo or its outskirts.

In this book, Saltzman has given us a unique and fascinating biography: the biography of a painting. It is not a complete biography, focusing less on the painting's creation and place in van Gogh's oeuvre than on its subsequent peregrinations around the world. But in telling the story of its many owners and dealers, Saltzman has succeeded in giving us an understanding of van Gogh's ascendant reputation, the shifting fortunes of modernist art and the headlong expansion of the art market.

A former art history student who worked as a reporter for Forbes and The Wall Street Journal, Saltzman brings to her task both an informed appreciation of van Gogh's work and a journalist's shrewd understanding of the market forces at work in the art world.

She shows us the increasingly important role that critics and dealers began to play as the old academy and patronage systems broke down, and how a series of collectors, critics and curators committed to the modernist cause helped forge the reputation of "Gachet."

So how did van Gogh's "Gachet" go from being "an obscure object worth at most a few hundred francs" to being one of the costliest paintings in the world?

After the death of van Gogh and his brother, Theo, Saltzman recounts, "Gachet" passed from Theo's widow, Johanna, to the ambitious dealer Ambroise Vollard, who in turn sold it for some 300 francs to Alice Ruben, a wealthy Danish collector with a taste for avant-garde art.

By 1911, "Gachet" had turned up in Germany, where Georg Swarzenski, a scholar of medieval art and the director of Frankfurt's Stadelches Kunstinstitut, bought it for roughly \$3,900.

Swarzenski saw the painting as a means "to advance his quiet revolutionary plan to bring modern art" to Frankfurt, and in acquiring it, Saltzman writes, he "revealed his judgment as an expert that the canvas, now only 20 years old, was a masterpiece worthy to be hung in the company of Albrecht Durer, Hans Holbein, Rogier van der Weyden and Rembrandt."

The Stadelches, however, was not to be the final home of "Gachet." When the Nazis took over, they condemned works of French and German modernism as degenerate. They confiscated questionable artworks and made plans to sell them on the international market to raise money for the state.

In 1938, Saltzman reports,

Hermann Goering arranged to have "Gachet" sold to Franz Koenigs, a German banker living in Amsterdam for about \$53,000; that money, she says, was diverted to pay for Goering's own art-collecting schemes.

Although Koenigs was an ardent collector himself, he quickly turned over "Gachet" to Siegfried Kramarsky, a Jewish philanthropist who lived in the Netherlands — possibly to pay off part of a debt. Aware of the mounting dangers of war, Kramarsky had the painting shipped to the United States for safekeeping in August 1939; he and his family soon followed it.

The painting hung in their New York apartment until 1984, when it was sent to the Metropolitan Museum of Art on "indefinite loan."

In 1990, Saltzman writes, inflated art prices and the Reagan administration's 1986 tax code (which removed incentives for American collectors to give their art to museums) helped persuade Kramarsky's heirs to place "Gachet" on the auction block, where it was sold to a Japanese businessman named Ryoei Saito.

While the painting had, in a sense, come full circle — a passionate collector of Japanese prints, van Gogh once declared that all his work was "founded on Japanese art" — it would effectively disappear from sight in Japan.

Like the fabled ark in the movie "Raiders of the Lost Ark," it has been carefully crated and warehoused, turned into an anonymous piece of property, safe, protected and, for all practical purposes, invisible to those who might appreciate its power.

New York Times Service

BEST SELLERS

The New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.		
FICTION		
Rank	Last Week	Weeks on List
1	THE LONG ROAD HOME, by Danielle Steel	1
2	YOU BELONG TO ME, by Max Hyslop	1
3	BLACK AND BLUE, by Anne Quindlen	2
4	MESSAGE IN A BOTTLE, by Nicholas Sparks	2
5	THE STREET LAWYER, by John Grisham	4
6	PARADISE, by Anne Rice	3
7	COLD MOUNTAIN, by Charles Frutkin	6
8	MEMOIRS OF A GISHIA, by Arthur Golden	10
9	A PATCHWORK PLANET, by Anne Tyler	8
10	HOMECOMING, by Toni Morrison	9
11	PARADISE, by Toni Morrison	7
12	WITH THIS RING, by Amanda Quick	3
13	BLOOD WORK, by Michael Connelly	11
14	CAVEDOWELLER, by Dorothy Allison	14
NONFICTION		
1	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	67
2	TUESDAYS WITH MORRIE, by Mitch Albom	1
3	ANGELA'S ASHES, by Frank McCourt	3
4	TALKING TO HEAVEN, by James Van Pelt	2
5	THE GIFT OF THE JEWELS, by Thomas Cahill	4
6	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	11
7	THE MAN WHO LISTENS TO HORSES, by Monty Roberts	12
8	APHRODITE, by Isabel Allen	8
9	CONVERSATIONS WITH GOD, Book 1, by Neale Donald Walsch	9
10	SPIN CYCLE, by Howard Kurtz	5
11	AMAZING GRACE, by Kathleen Norris	7
12	THE PERFECT STORM, by Sebastian Junger	13
13	CONSCIENCE, by Edward O. Wilson	15
14	INTO THIN AIR, by Joe Kravac	10
15	TITANIC: Legacy of the World's Greatest Ocean Liner, by Susan Webb	14
ADVICE, HOW-TO AND MISCELLANEOUS		
1	THE 9 STEPS TO FINANCIAL FREEDOM, by Sue Orman	1
2	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	2
3	EIGHT WEEKS TO OPTIMUM HEALTH, by Andrew Weil	3
4	IN THE MEANTIME, by Linda Vinton	4

**DO YOU LIVE IN BELGIUM, DENMARK, FRANCE, IRELAND, THE NETHERLANDS OR U.K.?**

For information about subscribing, call toll free:

00800 4 448 7827  
(00800 4 IHT SUBS)

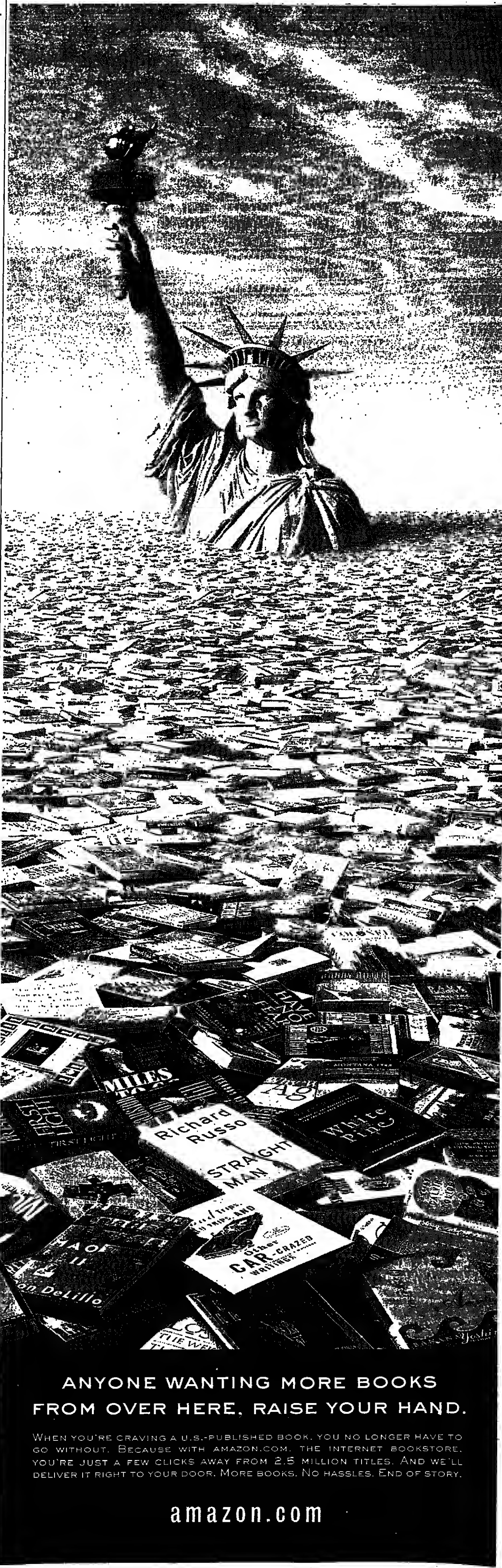
Herald Tribune

THE WORLD'S DAILY NEWSPAPER

**ANYONE WANTING MORE BOOKS FROM OVER HERE, RAISE YOUR HAND.**

WHEN YOU'RE CRAVING A U.S.-PUBLISHED BOOK, YOU NO LONGER HAVE TO GO WITHOUT. BECAUSE WITH AMAZON.COM, THE INTERNET BOOKSTORE, YOU'RE JUST A FEW CLICKS AWAY FROM 2.5 MILLION TITLES. AND WE'LL DELIVER IT RIGHT TO YOUR DOOR. MORE BOOKS. NO HASSLES. END OF STORY.

amazon.com





## EDITORIALS/OPINION

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## A New Cancer Hope

It sounds too good to be true, and it may well be, but the data on mice look promising. Two drugs used to combination shrink huge tumors to the vanishing point, without causing side effects or causing mice to develop resistance to the treatment. No wonder investors on Monday bid up the price of a small company that is developing the drugs, and cancer doctors were besieged with inquiries from patients who hoped to benefit.

The only hitch, and it is a gigantic hitch, is that the drugs have yet to be tested in humans. The history of cancer research is littered with highly touted treatments that looked promising in animal tests only to fizzle in the more complicated environment of the human body.

What is causing all the excitement is work from the laboratory of Dr. Judah Folkman, at Children's Hospital in Boston, who has pioneered in finding ways to starve cancer tumors by cutting off their blood supply. A decade ago he and his collaborators found a first generation of drugs that inhibited the formation of new blood vessels and thus slowed tumor growth in animals. These drugs are being tested in humans, apparently with mixed results.

Subsequently his associate Dr. Michael O'Reilly found two proteins, angiostatin and endostatin, that seem far more powerful, especially when used in combination. They attack a wide range of tumors, seem capable of eradicating some, cause no side effects even in huge doses, and provide a way of controlling the metastases by which cancer spreads.

If the approach pans out, it will be a testament to the courage and persistence of Dr. Folkman, who was ridiculed for years for his unorthodox ideas but gradually won converts through careful experimentation. He has championed a whole new approach to cancer. Instead of trying to kill tumors by attacking them directly, with chemicals or radiation or a surgeon's scalpel, he is targeting the process by which the body forms new blood vessels to feed the tumors.

But no cancer patient should count on a miracle cure just yet. It remains possible that the drugs will not work well in humans, or that they will come to play a useful role as one treatment among many rather than as a complete cure for a disease that has frustrated all such magic bullets in the past.

—THE NEW YORK TIMES

## Japan Is a Friend

When your good friend is in trouble, kick him in the teeth—that seems to be the philosophy motivating U.S. attitudes toward Japan these days. Given Japanese arrogance in the 1980s, these attitudes may be understandable, but they don't make for good policy.

There is no question but that Japan presents an easy target. When they were riding high in the 1980s, Japanese did not hesitate to scold Americans for profligacy and pridefulness. But Japan's economy has sputtered throughout the 1990s, and its politicians and bureaucrats seem incapable of putting things right. A record 72 percent of Japanese now say they believe that their country is heading in a bad direction. Only 24 percent approve of Prime Minister Ryutaro Hashimoto. Japan remains a dictatorship committed to curtailing U.S. influence in the world. Japan is a democracy, with a far larger economy, that supports the United States at almost every turn. It shares U.S. goals and contributes resources to U.S.-backed programs in almost every field, from democracy-building to nonproliferation to military security to economic development in poor countries. Japan may be an irritating friend at times, but it is a friend. Forgetting that now would not be right—or smart.

—THE WASHINGTON POST

## Revolving Doors

Unsolved mysteries refuse to go away. That is why new wrinkles in the story of how President Bill Clinton and the Democrats financed the 1996 election keep popping up.

The latest news is that Charles LaBella, director of the Justice Department's campaign money task force, urged Attorney General Janet Reno several months ago to appoint an independent counsel. He thereby joined Louis Freeh, director of the FBI, in trying to instruct Ms. Reno in the requirements of this valuable law.

And, like Mr. Freeh before him, Mr. LaBella went wobbly once the light hit him. He was only talking, he said, about a counsel for the "telephone solicitations made by the president and vice president." He feels "every confidence" in the way Ms. Reno is treating his inquiry. He will delay his announced departure until he is sure that others will carry on.

That is not good enough. Ms. Reno's handling of the campaign investigation and her department are a mess. She is under the sway of political appointees and career bureaucrats. Her criminal division has not had a boss in three years. Now she proposes to install the third leader of the campaign finance inquiry in less than a year.

This is a department with no sail, no rudder and no ballast. Its go-slow leadership is counting on Mr. Freeh leaving the FBI for more money and on turning Mr. LaBella out of this inquiry with a promotion to become U.S. attorney in San Diego.

Given her previous reputation for independence, Ms. Reno's decision to become a political bodyguard is a

minor mystery. But the decision by Mr. Freeh and Mr. LaBella to obey her is a major puzzle. Do they think they can leave their posts during the most important political inquiry in a generation and not have permanent blots on their resumes? Mr. LaBella promises to write a report so that "an orderly transition can occur." The only problem is that he was hired to investigate and, if necessary, to prosecute, not to type and travel.

Much is being made, meanwhile, of disarray in the congressional campaign finance investigation. Representative Dan Burton, chairman of the House Committee on Government Reform and Oversight, is in over his head. His release of the Webster Hubbell tapes was questionable on privacy grounds. His editing of material favorable to Mr. Hubbell and Hillary Rodham Clinton was disastrous as a matter of tactics and fairness.

Democrats have suggested moving the inquiry to another committee, and House Speaker Newt Gingrich might be well advised to do that.

But it is the Justice Department that has the duty of interpreting and enforcing the law. Officials such as Mr. LaBella and Mr. Freeh have obligations to that duty even if Ms. Reno refuses to follow the Independent Counsel Act and to keep a stable team on the campaign finance task force.

The history of Washington mysteries is that most of the facts come out, through journalistic, judicial or legislative inquiry, and that those who dodge their duty usually get to answer to the public.

—THE NEW YORK TIMES

## Don't Look Now, but He's Busy Wiring Timbuktu

By Thomas L. Friedman

WASHINGTON — Jim Lowenthal runs a small Internet company based in Morocco that has an unusual contract from the U.S. Agency for International Development. His job is to go to the most remote African capitals and establish Internet nodes so that anyone there can make a local phone call and get on the World Wide Web.

Mr. Lowenthal has already helped bring Mali, Madagascar, Mozambique and Guinea on-line, and is in the process of wiring Benin, the Ivory Coast and four others, as well as helping design Internet access for Timbuktu, in Mali—the city that is a synonym for the most obscure spot on earth.

"Timbuktu is a small town," he said, "but in the 14th century its university was a center of learning for the Arab world, because it was a key crossroad for caravans traversing the Sahara."

"It's now a town of sand and shrub but with amazing archives that are piled up and deteriorating. The Mali Ministry of Culture would love to share them with the world but they never had a way. The Internet gives them the way."

Projects like Mr. Lowenthal's highlight why globalization can leave one

simultaneously optimistic and pessimistic about Africa. Globalization does two things at the same time.

It increases the gap, further and faster than ever before, between those who partake of the information revolution and the global economy and those who do not. So the gap between the Rift Valley and Silicon Valley is growing exponentially.

But at the same time, globalization and the information revolution offer an escalator from poverty into the global economy that also moves faster and faster than ever before for countries that get the basics right. Global investors are always looking for the next great opportunity, and Africa has the potential to be that.

"What AID is trying to do," says Mr. Lowenthal, "is broadly disseminate the basic information infrastructure that will allow African countries to move from one step to the other. And the great thing about the Information Age is that you can move from zero to 60 much more quickly than in the In-

dustrial Age, if you get the basic digital information technologies."

"I just came back from Guinea-Bissau. It has one of the least developed telecom systems in Africa, but two entrepreneurs there just put up a three-story building that is completely wired. They're now running a computer training center, an Internet café and a marketing business for next-generation information technology solutions. You should see the colorful Web page designs now coming out of Africa by their own Webmasters."

Americans don't realize that when they go to the doctor and get examined and the doctor dictates his notes from the examination onto a tape, that tape often gets shipped on the Web to a housewife in Ireland who transcribes it in her spare time for a fee and then sends the transcript back on the Web. There is no reason, with some basic English education and digital infrastructure, that Africans cannot get into this lucrative area of telecomputing and data processing.

No, the Internet will not solve the problems between Hutu and Tutsi in Central Africa or cure AIDS in Kenya.

And yes, power in Africa still resides with those with the guns, not those with the phones. Africa's tribal and economic problems will not be solved overnight or on-line. But all of these problems are related to, and exacerbated by, chronic underdevelopment, and the Internet gives Africans a new tool to leapfrog back into the game.

In 1977 there was a movie, "Black and White in Color," about French and German army units caught in West Africa at the end of World War I. Because newspapers were six months old, the soldiers never got the news that the war was over, so they went on fighting.

"If they made that movie today it would be about how Deutsche Telekom and France Cable et Radio were competing over who will get in private the telephone system in Senegal by offering the most connections at the cheapest cost," argued Mr. Lowenthal.

"If you don't factor the Web into your analysis of Africa, you're going to miss something. We're just two years away from large numbers of people in Africa being able to tell their own story, and that has got to impact politics there."

The New York Times

## No Way to Avert the Coming Balkan War Over Kosovo?

By Richard Cohen

ISTANBUL — He was nicely dressed, with a business card that said he was an M.D. and a Ph.D. and also prime minister of the "Republic of Kosovo." The country does not exist, and most of the nations in the world say it never will. Many Kosovars, however, feel differently.

There will be a war, Bujar Bukoshi said. Arms, many more than rifles but some automatic weapons as well, were being smuggled over the rugged border from Albania.

"Many people will die," I said. He nodded.

Already, of course, people have died in Kosovo—about 100, many of them civilians, in the last two months. The province, ruled by Serbia but 90 percent ethnic Albanian, is a tragedy waiting to happen.

The Serbs, who administer with their usual light touch, vow never to grant Kosovo independence nor return it to the autonomous status it had until 1989. The Balkans are a nest of clichés and myths, and Kosovo is where all of them seem true.

Its emotional and political importance to Serbs goes back to the Battle of Kosovo in 1389, which the Serbs lost to the Ottoman Turks.

If there is an easy way out of this dilemma, no one sees it. I spent two days asking foreign policy experts assembled in Istanbul for a meeting of the New Atlantic Initiative what they would do about Kosovo. No one seemed to know.

Ethnic Albanians like Dr. Bukoshi are on the record demanding independence. In the meantime, the Yugoslav army, the police and paramilitary groups have been accused of responding to provocations

with the occasional massacre and murder of civilians.

The brutality that draws the attention of the world. It just could be that ethnic Albanian leaders think that history—recent history, that is—will repeat itself: Awful stuff on American television will prompt the United States and its NATO allies to take action.

If it is what they are thinking, I have two words of caution for them: Montes Lewinsky.

The present scandal has reduced the usually timid Clinton administration to near paralysis. It will do nothing to endanger its high poll ratings, since in the future the very fate of the president may be decided by Congress. Popular presidents do not get impeached; presidents who send American troops to die in places with un-

pronounceable names do not stay popular. It is that simple.

For the United States, there are no easy choices. It already has troops on the ground in the Balkans, in Bosnia and Macedonia, and the U.S. Air Force supplies much of the punch that makes the NATO air operation so formidable. With a toe already in the Balkans, it is hard to see how Washington could just sit by if the Serbs, as they did in Bosnia, become homicidal maniacs. A little campaign on CNN goes a long way.

The Bosnian war of 1992 to 1995 was triggered by Slobodan Milosevic. But the West did its part—fumbling diplomatically, taking loudly at times but mostly acting timidly until even those of us who feared a U.S. involvement could stomach no more. It was, in the end, force that got the parties to sit down at Dayton.

Secretary of State Madeleine Albright vowed that the mistakes of Bosnia would not be duplicated. But the Russians are in their usual pro-Serbian swoon, and much of the rest of Europe—except Germany, which has a large Albanian community—would just prefer to look away.

The Germans confirm that arms are being smuggled into Kosovo, some of them apparently paid for by the Albanian community in Germany.

The Kosovo Liberation Army—terrorists to the Serbs, patriots to the ethnic Albanians—will continue to draw Serbian blood, and NATO, as is its custom, will meet, denounce, impose sanctions (as was just done) but avoid taking the sort of action—the threat of force—that will avert the Balkan war everyone can see coming.

The Washington Post

## East Asia Needs Transparency and Financial Oversight

By Richard Hu

The writer is Singapore's finance minister.

SINGAPORE — When the East Asian financial crisis erupted in July, many were caught by surprise. East Asian economies did not fit the profile of some countries in Latin America that got into financial difficulties in the 1980s.

Latin American governments ran persistent budget deficits and financed them by large-scale offshore borrowings, or by writing checks on the central bank. By contrast, East Asian countries scored well on conventional macroeconomic indicators. They had high growth, low inflation and balanced budgets or budget surpluses.

Unlike Latin America, the crisis in East Asia came largely from the private sector.

If public institutions in East Asia, whether central banks or finance ministries, were found wanting, it is not because they pursued inappropriate macroeconomic demand management policies, but because they failed to safeguard the stability of the financial system. Countries in the region had rushed to liberalize their financial systems and

capital accounts before adequate safeguards were in place.

All was well as long as money continued to flow in. With strong injections of capital and rising asset values, banks were flush with liquidity. They lent excessively to increasingly unproductive and speculative sectors of the property and stock markets.

But when capital flows reversed and asset prices plunged, collateral values collapsed and banks were caught with substantial loans that could not be repaid. Private companies had also borrowed excessively and short-term from overseas, without proper hedging and matching of maturities. In many cases, risk management and control mechanisms in banks and companies were totally inadequate.

Even where risk management mechanisms were adequate, banks and companies

were lulled into complacency by the macroeconomic policy environment. The authorities were sending wrong signals to the market by implicitly guaranteeing stable exchange rates. Attracted by lower interest rates in offshore markets for the U.S. dollar and other currencies, domestic banks and companies borrowed heavily overseas.

Institutional weaknesses not only contributed to the crisis, they also seriously impeded the adjustment process. Opaque and outdated insolvency laws hindered quick resolution of nonperforming loans. Bankruptcy laws and court arbitration, which should facilitate closure of insolvent firms and allow capital and labor to flow into more efficient uses, proved woefully inadequate.

East Asia urgently needs to build and strengthen its institutions so that they are robust and can cope with changing

macroeconomic conditions. They must work well in both good times and bad. In particular, the principles of transparency and accountability are fundamental to the successful reform of institutions.

East Asia has learned the hard way that it does not pay to keep the markets guessing. Investors assume the worst when governments and companies are perceived to be withholding information.

The regulators must share some of the responsibility for this. Weak company and securities laws do not compel firms to make adequate disclosure. To ensure transparency, there must be proper rules on disclosure, which helps enforce market discipline.

Malaysia's central bank now requires the banks it supervises to disclose nonperforming loans and other exposures every three months. It also subjects banks to a monthly stress test.

In Singapore, we have encouraged local banks to disclose their exposure to the regional economies. We have set up a committee on banking disclosure standards, consisting mainly of representatives of private sector banks, to recommend ways to improve disclosure.

To be fair, East Asian institutions are not willfully withholding information; rather, the infrastructure to gather it may not be in place.

Indonesia, for example, did not have a system to collect comprehensive data on the external debts of companies. Steps have been taken to remedy this. The government issued a decree on April 8 requiring firms to report their foreign debts, and

said contraventions would be severely penalized.

It is important that East Asia not see the drive toward transparency as an external imposition. Domestic as well as foreign investors welcome more disclosure of financial information by companies, because it serves to reassure them that their investments are sound.

Public institutions in East Asia can draw on the experiences of other countries in the areas of transparency and accountability.

The IMF is drafting a code of good practices on fiscal transparency. Its key points are that: roles and responsibilities in government should be clear; information on government activities should be provided to the public; budget preparation, execution and reporting should be undertaken in an open manner; and fiscal information should be subjected to independent integrity checks.

East Asian countries can adapt these models to their own situation. Strengthening the region's institutional capabilities, both in the private and the public sectors, will take years. It will require the commitment of politicians as well as of bureaucrats. But it is an essential part of structural reform.

The reward will be for East Asia's public and private institutions to regain credibility in world financial markets.

This comment was adapted by the *Herald Tribune* from a speech on Monday at the inauguration of a regional monitoring institute for financial managers sponsored by the IMF and the Singapore government.

## Behold the Revised World Order

By A.M. Rosenthal

NEW YORK — April 30: United States approves another \$1 billion in aid to Indonesia as part of the international \$40 billion economic bailout.

President Suharto refuses to break up the multibillion-dollar monopolies controlled by himself, family and friends. He says no political reforms until 2003, at earliest. Police break up student protests.

May 1 — Washington Times and Associated Press say CIA reports China has nuclear missiles targeted at United States.

May 3 — Bill Clinton's June visit to China will include ceremonies at Tiananmen Square. Washington is preparing to allow U.S. companies to sell nuclear reactors to China.

May 4 — Human rights workers report continued oppression in China and Indonesia, and more executions in China than in all the rest of the world.

America, its democratic allies and major dictators are rapidly building a new world order. It is already a central part of international life and values.

Its ideology, powers, rewards and punishments are supplanting those that prevailed internationally until 1994, when President Clinton joined the new order. If it continues, it will be the most important new international concept since the end of World War II.

The order was created without formal parliamentary approval, or any treaty. But every week, sometimes every day, the underlying tenets are revealed, in action. See above.

The following description of goals of the new order is so different from principles recently assumed in the West, although not always followed, that it may read as satire. It is not.

The fundamental change, demanded by the dictators and agreed to in practice by the democracies, is that the internal policies of persecution, and the rights of the governed, are not a primary moral or economic consideration of the world.

The democracies, under these values, can protest some internal acts of the dictators—torture and such. But they must do so quietly, not allowing these acts, or often even security interests, to damage the new overriding value of the democratic leaders.

That value is the trade and investment with the dictators—ships that the democracies believe important to their national economies—which are some times called jobs, but usually interpreted as corporate profit.

In exchange, dictators allow low democracies to invest and trade in enterprises that the capitalists consider profitable to their corporate strength, although not necessarily to their own employees or the national economic health of their countries.

If the dictators or "authoritarian governments," as some are known, find their economies collapsing through the corruption generic to such societies, the IMF and individu-

al democracies rush to arrive with bailout money.

The explanation given is that otherwise the dictators' economies would disintegrate, bringing revolution. Now, the people may long for revolution. Obviously that cannot be allowed to overcome saving the dictators and thus rescuing the money invested by nationals of democracies.

If we accept these values, the events dated above become understandable.

The Indonesian dictator, for instance, was installed by the army 32 years ago and now needs scores of billions with which to overcome his own ineptitude and family corruption and do the right thing by his foreign investors. Who can deny him?

America gets to sell strategic material to China, offering an extra visit by the U.S. president to honor the Communist leaders and expand their power and political life span.

Religious and political mavericks in the totalitarian partners of the new world order get prison or death, often both. The press of the democracies gets to write stories about the growth of order in the new order. Other citizens of the democracies get to say costs of imported goods are down, how nice.

Westmen may come in object for political or moral reasons, or because the new world order may after all cost them their jobs. But they will never be able to say they never knew.

The New York Times

## They're Off: Gingrich Vie to Diminish

By David S.

WASHINGTON — The chances of the House and the president-elect, the United States, the two top leaders of the House, only have decided to campaign for the election of doing the most to diminish the high office they held.

Nothing else can explain the worried silence in which Newt Gingrich and Bill Clinton indulged last week.

In Mr. Gingrich's case, the silence was an Easter vacation from the House, which he had proclaimed that he would not return to in this first term. He had achieved something that he had never achieved before.

The self-proclaimed prophet of a new era had to clean up the mess he had made with a campaign finance scandal that had led to a battle between the House and the Senate. He had been forced to a last-minute retreat from the House.

Smearing from the House, the House of Representatives had no choice but to vote on the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.

His name was on the list of names to be considered for the House of Representatives. The House of Representatives had no choice but to vote on the House of Representatives.



OPINION/LETTERS

# They're Off: Gingrich and Clinton Vie to Diminish Their Offices

By David S. Broder

WASHINGTON — The speaker of the House and the president of the United States, the two top leaders of the elected branches of the U.S. government, apparently have decided to compete for the distinction of doing the most to degrade and diminish the high offices they hold.

Nothing else can explain the wretched rhetoric in which Newt Gingrich and Bill Clinton indulged last week.

In Mr. Gingrich's case, he returned from an Easter vacation book promotion tour during which he proclaimed that, through trials and errors in his first three years as speaker, he had achieved something akin to wisdom and maturity.

The self-proclaimed grown-up instantly had to clean up his crude effort to bury campaign finance legislation. Faced with a rebellion led by conscientious freshmen of both parties, he retreated and agreed to a real debate later this month.

Smarting from this setback, he got on his moral high horse about the refusal of every Democrat on the House committee investigating President Clinton's 1996 campaign scandals to offer immunity to four witnesses. Attorney General Janet Reno said the Justice Department had no objection to their testifying under the grant of immunity, so the Democrats had no legal leg to stand on.

Their tactic was a misguided method of protesting the flagrant bias of the committee chairman, Representative Dan Burton, Republican of Indiana, whose latest display of judicious temperament was to call the president of the United States a "scumbag."

Mr. Gingrich had every right to intervene. But instead of moving inside the House to settle the committee feud, he went to the most partisan of settings — a rally of Republican supporters — and outdid Mr.

Burton by accusing Mr. Clinton of "undermining the law in the United States" and of directing "the most systematic, deliberate obstruction of justice, cover-up... we have ever seen in American history."

Mr. Gingrich vowed to keep up the assault in every speech and so far has kept his word. Thus the man who must deal with the president on every important issue involving the White House and Congress has made himself Mr. Clinton's chief accuser.

The man who will receive any report from the independent counsel Kenneth Starr and who must command enough trust from the public and both parties to organize proceedings that might lead to the impeachment of the president is, by his own choice, Attack Dog No. 1.

As for Mr. Clinton, in his first full-scale press conference in four months he revealed himself as an executive consumed by self-pity and convinced by his own convenient conspiracy theories. The consequences of his refusal, or inability, to clear up the many unanswered questions about his relationship with a White House intern were evident during the dogged but not impertinent press interrogation.

He has rendered himself silent, not just on the facts of the case but on the more important institutional questions stemming from it. He is recusing himself on every question touching on the credibility of his office and on the corroding effect caused by his systematic evasion of responsibility.

And for moral blindness, how about Mr. Clinton's claim that his critics can affect his "reputation" but can do nothing to affect his "character"? Not once did he acknowledge that his own actions may have shaped his reputation and revealed his character.

The Washington Post

# Fat, Bald and Flagging? There's a Fix for You

By Jonathan Yardley

WASHINGTON — Picture Modern Man. On his belt is the pager that connects him with his boss and his wife and his lover and whoever else may demand his attention. On his lap sits the computer through which

## MEANWHILE

he has immediate access to stock prices, compact discs and pornographic pictures. In his medicine cabinet are a bottle of Propecia and one of Viagra: the former for what ails him upstairs, the latter for his woes below.

"Brave new world" indeed. Science and technology, the great forces of contemporary life, have produced a Modern Man far beyond the imaginative prowess of Darwin or Freud or Orwell.

Doggedly, earnestly and with an utter absence of either humor or moral reflection, we are busily altering not merely the world we inhabit but ourselves.

Medicine, once the science of saving human life, has metamorphosed into what an article in The Washington Post called "the new frontier of drug development, quality-of-life pharmacology" (IHT, April 27). This is meant to warm the heart, when in fact it should chill the blood.

"There was a time when drugs to make you thin or drugs to make your hair grow

again were kind of looked down upon," said a "biotechnology analyst" on the West Coast. "Now," he said, "these things are starting to be looked at as real medicine."

Only in California, one is tempted to say and let it go at that, but redemptive pharmacology has swept the entire United States and soon, no doubt, as all else beloved in America always is, will be exported to a waiting world.

Use Propecia, the quacks advise us, and in good time that middle-aged golden dome will blossom once again in hirsute glory.

Use Retin-A and your skin will shed those unsightly wrinkles and be as smooth as the baby's bottom in which you once gloriied.

Take Viagra and what Fanny Hill rejoiced in as your "mighty engine" will rise and roar with the passion of your long-lost prime.

The fountain of youth, that chimera sought by explorers and fools throughout the centuries, has been found at last in the laboratories of Pfizer Inc., which after an investment of \$500 million in research managed to come up with Viagra, the \$10-a-pop elixir that turns elderly gropers into rejuvenated stallions.

Precisely how Pfizer came up with its vulgar name for the thing is a mystery — "via" as in "life," perhaps,



but "gra"? "Growth"? "Agriculture"? "Grace"? But there is no doubt about what it has given Wall Street, the biggest erection since the World Trade Center.

It is hugely amusing. The spectacle of Homo sapiens in its ceaseless quest to beat back nature is pathetic and ridiculous in more or less equal measure. The certainty of death and taxes has not altered and never will.

In his own good time, that ancient gent with his Propecia hairdo and his Viagra toy will drift into sleep, never again to wake; he, and the various chickadees to whom his artificially induced splendor brought such ecstasy, will join one other in that fine and private place, the grave, or, perhaps, the crematorium.

So the temptation to laugh at the gaudy show is extreme, and perhaps it should not be resisted. Yet if human vanity provides the raw material for sport, as Thackeray so brilliantly reminded us, it also is the stuff of sober reflection. It is not called "vanity" for nothing because it is in every sense of the word vain: concited and foolhardy.

Aging, which is to say decline and decay, is natural. It is not, as all these Hefner clones lining up for their jolts of Viagra would have us believe, an ailment but an unavoidable process that has

far more to it than loss and regret.

As one who has not all that far to go before closing out the sixth decade of life, I am walking — tottering! — proof that nothing is forever, but the losses that age entails seem to me of vastly less import than the riches and pleasures it provides, most connected in one way or another

**Doggedly, and with an utter absence of humor or moral reflection, we are altering not just the world but ourselves.**

with the lessons that experience teaches.

Do I wish that youth and all its powers could be restored to me? At times, of course; so do all of us. But given a choice between the 58 that I am now and the 28 that I was once, not for a moment would I pick the latter.

If age teaches anything, it should be to give thanks for what one still has, not to shed tears for what one has lost.

"Glad to be alive" is what I say, a considerably more likely prescription for hap-

piness in what American euhemists call "the Golden Years" than Viagra or Propecia or any other of Dr. Frankenstein's inventions.

It should further be noted that many of the conditions for which we so hitherto seek pharmacological remedy are the fault not of old age or our stars but of ourselves.

The layers of lard in which millions of Americans are encrusted have not been inflicted on them by an unjust God. They have been earned honestly and vigorously, through overeating and bad diet. They could be corrected — save for those unfortunate few afflicted with involuntary obesity — by self-control and self-discipline rather than by diet pills or liposuction.

But in a culture that favors undeferred gratification and the quick fix, self-discipline gets no respect. If you cannot or — more likely — will not do it yourself, let the quacks do it for you. This will make the quacks rich, but at no benefit to you except eternal self-delusion.

The Washington Post

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## LETTERS TO THE EDITOR

### A Bigger NATO

Regarding "For America, Enlarging NATO Is Dumb and Dangerous" (Opinion, April 29) by Thomas L. Friedman:

Mr. Friedman has been NATO expansion, saying it threatens Russia. However, Mr. Friedman and The New York Times are far gloomier about enlargement than are Russians themselves, who are now working closely with the North Atlantic Treaty Organization on a whole range of issues.

The Russians now have a diplomatic and military mission at NATO. We meet with them regularly to discuss topics of mutual interest, such as the security situation in the Balkans, the NATO-led operation in Bosnia, measures to increase trust and confidence and expansion of military-to-military cooperation, to name a few.

We have even discussed opening a NATO military liaison mission in Moscow

later this year. All this looks to me like an alliance and a former adversary working hard to establish a constructive relationship.

What Mr. Friedman seems loath to admit is that NATO enlargement is not about new dividing lines, NATO vs. Russia or potential threats.

This kind of talk perpetuates Cold War thinking. We need to look at European security through a new lens. Through that lens, NATO's taking in new members is about expanding stability, resolving old animosities and creating a climate for economic growth and prosperity unhampered by threats to any nation's well-being.

The difference between a "new dividing line" and an "expansion of stability" is not about semantics. The Russians know that. We did not exchange blows during more than 40 years of tension. Would we be so foolish as to even contemplate some kind

of power play now? I hardly think so.

Moreover, NATO enlargement is only one piece of a carefully considered three-piece strategy aimed at adapting the alliance to a new European security environment.

Piece one is extending alliance membership to nations that subscribe to democratic ideals and collective defense as the means for promoting peace and stability. Three nations have been invited; the door remains open to more later.

Piece two is a deeper, more meaningful NATO-Russia relationship. This recognizes that true security in Europe must include Russia. The NATO-Russia Founding Act, signed by heads of state last May, and the NATO-Russia Permanent Joint Council meetings are clear signals that NATO intends to engage Russia in substantive dialogue and consultation.

Piece three is the Partner-

ship for Peace program. In short, NATO is jostling partner nations more directly and broadly in alliance business. Notably, neither these initiatives nor those with Russia will in any way preclude the alliance from making its own decisions as necessary.

The three pieces of this strategy are related and are being pursued aggressively.

No NATO official I know would tell you that this or any other strategy aimed at promoting peace and stability in Europe is without risk. In the dynamics of today's world, nothing is risk-free, and that includes doing nothing.

For NATO, enlargement is a substantial investment in Europe's future, and the alliance fully expects to reap big dividends in the years ahead.

As for Mr. Friedman and other expansion skeptics, I respect their right to express their viewpoints as they see them, but perhaps at some point they will tilt their lens up a little toward the horizon and see a bigger picture.

NICHOLAS B. KEHOE, Brussels.

The writer is deputy chairman of the NATO Military Committee.

Former national security adviser Zbigniew Brzezinski ("The Next Big Euro-Atlantic Task Is to Engage Russia," Opinion, May 4) makes a logical plea for eventual Russian membership in NATO — logical as long as you are west of Russia. From the east — from China, and possibly from Japan — Russian membership in what is essentially a military alliance would be looked upon as a military threat.

RICHARD HOROWITZ, Sandbach, England.

### Disgraceful Spectacle

The disgraceful spectacle of Susan McDougal in shackles (photograph with "In Shock Before Jury, McDougal 'Won't Talk,'" April 24) suggests that the United States still falls short of attaining the rank of a great civilization.

How could it when a former Bible salesman now turned chief inquisitor is permitted to drive the country backward to pre-Enlightenment times?

C. CHRISTOPIDES, Aix-en-Provence, France.

# The Front Page. Where history hits the headlines.



The Front Page is a fascinating archive. In 150 reprinted front pages, you will see how the leading figures and landmark events of the past 110 years made headline news in the world's first and only international daily newspaper.

Discovering how the world received the news of events that changed its course gives you an enthralling insight into recent history as documented by the pages of the International Herald Tribune.

The Front Page is now in its third updated edition, spanning the 110 years of the paper's publication.

Browse over this unique perspective on history, give it as a gift — a valuable learning tool — or simply sit back and enjoy it as a terrific read.



## EXCLUSIVE READER OFFER

Return your order to: International Herald Tribune Offers, 37 Lambton Road, London SW20 0LW, England.

For faster service, fax your order to: (44 181) 944 8243.

Please send me \_\_\_\_\_ copies of The Front Page. Price per copy: £45 (US\$75) each, including postage in Europe.

Additional postage outside Europe: USA/Canada £3.50 (US\$6) per copy. Rest of world £9.00 (US\$15) per copy. Please allow up to three weeks for delivery.

Name (in block letters) \_\_\_\_\_

Address \_\_\_\_\_

City/Code \_\_\_\_\_ Country \_\_\_\_\_

Payment is by credit card only. Please charge my: Access ☐ Amex ☐ Eurocard ☐ Diners ☐ MasterCard ☐ Visa ☐

Card No. \_\_\_\_\_ Exp. \_\_\_\_\_

Signature \_\_\_\_\_

Company EU VAT ID No. \_\_\_\_\_

## CROSSWORD

**ACROSS**

1 Sliding mecca

5 Lawn eyesore

9 Donnybrook

14 Not on the rocks

15 Red Muppet

16 Chan portmayer

17 "Tall" — the Martini!

18 Donnybrook

19 Seating stars

20 Start of a George Orwell quote

23 Condor condo

24 Carrier to Tel Aviv

25 Sunscreen abbr.

26 Crammer's concern

31 Time to burn

32 "\_\_\_ Boot"

36 Kind of boot

38 Word with sharp or shovel

39 More of the quote

44 Gardener's pride

45 Second person

46 Night, to Nero

47 North African region

50 Wood panel feature

51 "The Racer's Edge"

54 Life most colleges

55 Cardiff citizens

56 End of the quote

64 Walkie welcome

65 Daily delivery

67 Thunderpeal

68 Belief

69 The "I" of "The King and I"

70 Lui's partner

71 Snooker shot

72 Exigency

73 Look lasciviously

**DOWN**

1 Santa — race track

2 River in Hades

3 Devonshire dad

4 Humidor cheapie

5 "\_\_\_ No Angles" (Bogart film)

6 Lamb's pseudonym

7 Chew the scenery

8 "You don't say!"

9 Fabio's forte

10 Jack of "Big Bad John"

11 Food-filled revolver

12 Hydrocarbon suffix

13 Actor Byrnes, of 50's-60's TV

21 T. follower

22 Highland refusal

26 Ragú rival

27 U.S. rival

29 "So that's it!"

30 Russian or other

32 Not worth a

33 Ferry, N.Y.

34 G sharp's equivalent

36 Saharan singers

37 Carry on

40 Slow throw

41 Starve

42 Hunks-dory

43 Mother, maybe

44 Former White House nickname

45 Sycophant

46 See red?

47 Toyota model

48 Designer von Fürstenberg

49 Charles de Gaulle's birthplace

50 Like an old joke

51 Keyed up

52 Supreme Court count

53 Unika Godiva

54 24-hr. convenience

55 Grazing grounds

© New York Times/Edited by Will Shortz.

FOR INVESTMENT INFORMATION: Read THE MONEY REPORT every Saturday in the IHT.







171 420 0348

سكرا من الاصل

# Herald Tribune BUSINESS/FINANCE

WEDNESDAY, MAY 6, 1998

PAGE 13

## The Young Move In on Old Firms

### Lauder and Krug Scions Take Up Corporate Roles

By Dana Canedy  
Washington Post Service

NEW YORK — They are young, rich and restless.

With names like Lauder and Krug on both their birth certificates and their office doors, they are in line to lead some of the most prominent family-controlled companies in the world.

Having arrived by dint of birthright, the heirs to these powerful empires are eager to prove that their wealth can be measured by more than their trust funds. And they say they bring modern skills and a fresh attitude to the cosmetics, Champagne and other businesses that they are being groomed to run.

Yet as the relatives who came before them can attest, mixing new blood and old ways is rarely easy at venerable family businesses.

Gatekeepers are reluctant to give up control to the sons and daughters now looking over their shoulders. And employees and competitors watch a new corner's every move for evidence that prestigious brands and storied legacies are about to be placed in the wrong hands. The intense scrutiny is simply the price they must pay, the young executives say.

"It doesn't matter what type of pressure I'm under," said Jane Lauder, the 24-year-old granddaughter of the founder of Estee Lauder Cos., where she is the youngest family member in the business, working as a marketing manager for the Clinique brand. "What really matters is the end result to the customer."

Such declarations of loyalty reflect the careful grooming these moguls-in-the-making undergo.

"In these companies, because they are large, successful and highly observed, they want to have family members who are going to represent the family well not only in terms of management competence but also in terms



Jane Lauder, marketing manager for the Estee Lauder Clinique brand.

of their behavior," said John Davis, a senior lecturer at the Harvard Business School and an author of "Generation to Generation."

Leonard Lauder, chairman of Estee Lauder, recalls an informal tutorial he initiated over dinner with the youngest Landers some years ago. He had returned from visiting a retailer in the Midwest where the chief executive thought nothing of publicly belittling his employees.

"I spoke with the family and said, 'O.K., what did he do wrong?'" Mr. Lauder recalled, the lesson being that loyalty is earned by treating workers with respect.

Estee Lauder may be a public company, but it is still very much a family operation. Mr. Lauder's wife, Evelyn,

is a senior vice president; his brother, Ronald, the former ambassador to Austria, is chairman of Clinique Laboratories and Estee Lauder International; and William, Leonard and Evelyn's son, is president of the Origins brand and a company director. Jane Lauder is Ronald's daughter, and her older sister, Aerin Lauder Zinterhofer, 28, is director of creative product development in the United States and Canada.

"When your name is on the door, you really take a pride and passion in the business," she said. "A lot of our family meals involve talk about the business."

Even so, there can only be one chief

See HEIRS, Page 17.

## Lloyd's of London Faces Reform

### Despite Record Profit for 1995, Role of 'Names' Is Under Review

By Tom Buerkle  
International Herald Tribune

LONDON — Barely three years after a string of catastrophes and old pollution and asbestos liability claims threatened to cause the collapse of Lloyd's of London, the famed insurance market Tuesday reported its highest profit ever, £1.15 billion (\$1.92 billion).

But far from celebrating the return of good times, senior executives of Lloyd's are warning that the market must consider fundamental reforms to cut costs and face the growing competitive pressures from big corporate insurers in Continental Europe, the United States and Bermuda.

The proposed changes include measures that could effectively eliminate the role of the so-called names, the private investors who have sustained the market for more than 300 years by pledging their personal wealth.

Such sweeping proposals have stirred sharp emotions, particularly among the dwindling number of names who believe they are being brushed aside after having kept Lloyd's alive through £8 billion of losses during the early 1990s. The debate highlights an intrinsic tension between the interest of the market's traditional individual investors and corporate investors that, since entering Lloyd's in 1994, have come to control 60 percent of the business.

In a letter to members of the gov-

erning Council of Lloyd's this week, the head of the Lloyd's Names Association called for the chief executive, Ron Sandler, to resign over a speech that it said included "inflammatory, ill-judged and irresponsible" comments that put the future role of names in doubt.

Mr. Sandler rejected the charge Tuesday and reiterated that only radical reforms would guarantee the survival of Lloyd's now that mergers and globalization are turning major corporate insurers into leaner, tougher rivals.

"If Lloyd's is going to compete effectively in the future, it needs to reduce its cost base," he said.

The focus on costs may appear odd at a time of record profit, but that profit — which according to Lloyd's practice was reported with a two-year delay and covers 1995 — is considered exceptional. Natural disasters and plane crashes were few and far between in 1995, and the good profitability across the insurance industry has put strong downward pressure on premium rates. Current projections indicate that Lloyd's profit could drop to £366 million for 1997.

A key issue in the debate revolves around the annual capital venture. The venture is an exercise unique to Lloyd's and facilitates the participation of individual investors by allowing them to sign on, renew or terminate their backing of individual underwriting syndicates each year.

Although it dates to the founding of the market in Edward Lloyd's coffee house in 1688, Mr. Sandler said recently, that the capital structure was looking increasingly outdated now that the bulk of the capital at Lloyd's is provided by corporations, many of which are such companies as Munich Re or Aon Corp. that insure on the back of a permanent capital stock provided by their shareholders.

A.M. Best, an American rating agency, said the annual venture is a negative factor that costs Lloyd's as much as £300 million a year in increased administrative expenses and reduced investment income, and prevents underwriters from offering certain types of multiyear policies.

Proponents say the current system is time-honored and is central to preserving the primacy of the underwriter, a fact that distinguishes Lloyd's from corporate insurers and has enabled the market to carve a dominant role in global shipping and aviation insurance.

The 155 active underwriting syndicates at Lloyd's are obliged as a mutual society to support any syndicate that is unable to pay its claims. But if Lloyd's becomes a playground of 10 or 20 giant corporate insurers, they may refuse to accept the mutualization of risk, said Sir Laurie Magnus, managing director of DLJ Phoenix, an American investment bank that advises companies seeking to invest in Lloyd's.

## Pinault Buys Major Stake in Christie's

Compiled by Our Staff From Dispatches

PARIS — The French industrialist Francois Pinault agreed Tuesday to buy 29.1 percent of Christie's International PLC from the British billionaire Joe Lewis for an estimated £146.9 million (\$245 million), making him the biggest shareholder in the auction house.

Shares in Christie's rose 13.5 pence to close at 296 after the news, which came after the company withdrew in February from bid talks aimed at taking it into private ownership. Mr. Pinault, regarded as one of France's shrewdest businessmen, is moving into the art-auction market at a time of renewed European growth.

Christie's posted a 20 percent rise in pretax profit to £40.6 million before exceptional items in 1997, with auction sales up 20 percent and group revenue of £261 million.

Founded in 1766, Christie's overtook its chief rival, Sotheby's Holdings Inc., as the world's biggest seller of fine art last year, coconducting auctions with a total value of £1.2 billion.

Mr. Pinault, through his family holding company Artemis SA, specializes in acquiring what he sees as undervalued companies. Following that strategy in the United States, he is now a major shareholder in Converse Inc., Samsonite Corp., Florsheim Group Inc. and Vail Resorts Inc. In France, he recently bought one of the leading property companies, Sefimeg.

"Christie's is a superb, world-renowned brand name — it's a superb business in a market that is going global, that covers the world, and Artemis expects the development of this market to continue," an Artemis spokesman said.

Mr. Pinault, who controls the French retailer Printemps-Redoute SA and owns the Chateau Latour vineyard, has been extending his investments into other sectors. Although successful in his bid for Sefimeg, he failed earlier this year to acquire the financial-services concern Worms & Cie, when a holding company controlled by the Agnelli family of Italy made a better bid. (Bloomberg, Reuters)

## MEDIA MARKETS

## Magazines Hone Advertisers' Messages

By Robin Pogrebin  
New York Times Service

NEW YORK — It is 9 A.M. in the conference room at Vogue magazine. Vogue's publisher, Ronald Galotti, is presenting the results of a research study to executives from Elizabeth Arden Co.

Mr. Galotti and his team tell the cosmetics-company executives that, among 500 women interviewed around the country, those who had tried Elizabeth Arden products were satisfied and felt they were "part of a special group." The research indicated that Elizabeth Arden could gain customers if the company got its products into new hands.

And that, Mr. Galotti says, is where Vogue comes in. His proposal: The Elizabeth Arden-Vogue club.

Each month, Vogue's 50,000 most affluent subscribers would receive a mini-sample of an Elizabeth Arden product in the mail and be given the opportunity to pick up full-size sample, also free, by going to a designated store.

"Maybe, as you look down the road, you might not want to invest your money in some of the magazines that you do," Mr. Galotti said to the executives. "My game is a game of share. As you concentrate more of your share with me, I'll put more of my horsepower behind you."

Mr. Galotti's quid pro quo is only the latest example of ways in which publishers are going outside traditional business boundaries in the U.S. magazine industry. Magazines, once merely con-

sidered the messengers, are now becoming an integral part of the message, helping advertisers adjust their images in hopes of increasing their sales. But by becoming intimate marketing partners with advertisers, they are raising questions about whether they are eroding their editorial independence.

What began as basic "added-value" programs for advertisers, such as in-store fashion shows or tote-bag promotions, has taken on a life of its own. Magazines are acting as marketing consultants, complete with elaborate in-house departments made up of people from advertising, research and packaged-goods companies as well as magazines. They devote their time to carefully studying their advertisers' products or services and coming up with ways to build sales. Just about every magazine now has a marketing director. Most magazines have sizable corporate marketing departments.

"Ten years ago, what you did when you worked with an advertiser was to have a couple of ideas," said Cathleen Black, president of the Hearst Magazines Division of Hearst Corp. "Today it's totally different. Advertisers expect creative ideas that are going to help them move their business. It's part of that sales call; it's not the frosting anymore."

The trend raises some questions about magazines becoming too cozy with their advertisers — will advertisers ultimately expect magazines to help them on the editorial side as well as on the business side?

The New Yorker has made a deal with Crystal Cruises under which members of

its editorial staff will participate in a "New Yorker lecture series" on board a ship. Last week, The New York Observer reported that the cruise arrangement had led to "contentious negotiations" between advertising sales staff and editors at the magazine.

In addition, to help drug companies reach customers, The Reader's Digest plans to package its magazines with booklets containing articles and prescription-drug ads specific to their subscribers' ailments.

Allen Adamson, managing director at Lander Associates, a New York-based brand-consulting firm, is concerned about such arrangements and sees Vogue's new approach as potentially problematic.

"The minute I feel the Vogue brand is in bed with Elizabeth Arden and then read an article about how Elizabeth Arden wrinkle cream is the best on the market, I don't believe it," Mr. Adamson said. "If all of a sudden you question the magazine's objectivity because it is working with Elizabeth Arden on their marketing, then you risk the overall credibility of the Vogue brand."

But Frank Lalli, president of the American Society of Magazine Editors, said a venture like Vogue's was different. "It could become troublesome if cooperation between advertisers and a publisher becomes a way of communicating information to the editor and the editor is expected to respond in some way," Mr. Lalli said. "But just because there's a collaboration between the magazine and the advertiser is not enough to be deeply concerned about."

## CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FR	Yen	Sc	Sw	DK	Other
Australia	1.955	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
Canada	1.771	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
France	1.359	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
Germany	1.359	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
Italy	1.359	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
Japan	1.359	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
Spain	1.359	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
Sweden	1.359	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
Switzerland	1.359	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
UK	1.359	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359
Other	1.359	0.732	1.359	1.359	1.359	1.359	1.359	1.359	1.359

Libid-Libor Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Key Money Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

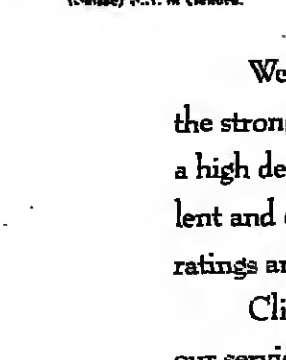
Other Dollar Values									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Forward Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00



Headquarters of Republic National Bank of New York (Sutton) S.A. in Geneva.



World Headquarters of Republic National Bank of New York in New York.

## Republic National Bank of New York

### Strength. Security. Service.

A Safra Bank • New York • Geneva • London • Beijing • Beirut • Beverly Hills • Buenos Aires • Cayman Islands • Copenhagen • Eindhoven • Gibraltar • Hong Kong • Jakarta • Los Angeles • Lugano • Luxembourg • Manila • Mexico City • Miami • Milan • Monte Carlo • Montevideo • Montreal • Moscow • Nuremberg • Paris • Punta del Este • Rio de Janeiro • Santiago • Sao Paulo • Singapore • Sydney • Taipei • Tokyo • Toronto • Zurich

© Republic National Bank of New York 1998







## EUROPE

## Central Bankers, but Not German Press, Sign Off on Deal

By John Schmid  
International Herald Tribune

FRANKFURT — Central bankers put the best possible face Tuesday on an EU compromise over the leadership of the new European Central Bank, while German newspapers blamed President Jacques Chirac of France for foisting the much-criticized deal on Europe and Chancellor Helmut Kohl of Germany for accepting it.

Meeting in Frankfurt, the European Monetary Institute, the forerunner to the European Central Bank, announced that it had "no objection" to the candidates nominated amid the horse-trading over the new bank's president at a weekend summit meeting in Brussels.

The French-inspired compromise compels Wim Duisenberg of the Netherlands to retire halfway through his eight-year term as head of the bank to make way for Jean-Claude Trichet, current governor of the Bank of France.

The proposed candidates are

persons of recognized standing and professional experience in monetary and banking matters," said a statement by the European Monetary Institute, which is operated by EU central bank governors.

Hans Tietmeyer, president of the Bundesbank, said those nominated to the new central bank's council "are to be viewed favorably overall."

The persons involved are acknowledged experts on monetary and banking issues with many years of experience, he said in remarks prepared for delivery Tuesday at a central bankers' dinner.

But while Europe's central bankers tried to see the European Central Bank glass as half-full, government officials in Germany and the Netherlands continued to find ways to criticize the weekend deal.

Giving a new interpretation of the terms of the compromise, Bonn insisted that there was no legal reason to prevent Mr. Duisenberg from serving his full eight-year term. Asked on German radio what would happen if Mr. Duisenberg changed

his mind and wanted to serve the full term, Finance Minister Theo Waigel replied, "Then no one would be able to stop him."

He himself decides how long he remains in office," Mr. Waigel said.

The new German stance was echoed by the Dutch finance minister, Gerrit Zalm, and the Belgian central bank governor, Alfons Verplaetse.

Only Mr. Duisenberg "knows the exact date" when his mandate will end, said Mr. Zalm, undermining the French contention that Mr. Duisenberg voluntarily would make way for Mr. Trichet in 2002.

Catherine Colonna, a spokeswoman for Mr. Chirac, acknowledged Tuesday that Mr. Duisenberg could decide to serve the full eight-year term, but she said that issue presented a "false problem."

Mr. Kohl is to meet Mr. Chirac this week at a Franco-German summit meeting in Avignon, France, to defuse tensions in the aftermath of the Brussels meeting.

German newspapers piled crit-

icism on both leaders Tuesday. The Handelsblatt business newspaper attacked Mr. Chirac of nationalist bluntness and said he was "reputing the euro." Just as with the nuclear tests in the Pacific, "Bulldozer" Chirac has pinned himself alone against the world," the newspaper wrote.

Handelsblatt voiced concern that the compromise could harden the suspicions among Germany's euro-skeptical population that monetary union amounts to another Versailles treaty, the World War I peace settlement that imposed crippling reparations on defeated Germany.

"Germany and France are suffering from euroshock," the paper said.

The mass-circulation daily Bild said "Rumbo" Chirac's behavior at the summit meeting marked his latest effort "to run his head through a brick wall," adding: "In the decision over the head of the European Central Bank, Chirac got his way, regardless of the cost, and almost wrecked the introduction of the euro." The con-

servative Die Welt newspaper, which typically supports Mr. Kohl, said the Brussels deal could scuttle the chancellor's chances of winning a record fifth term in the September election.

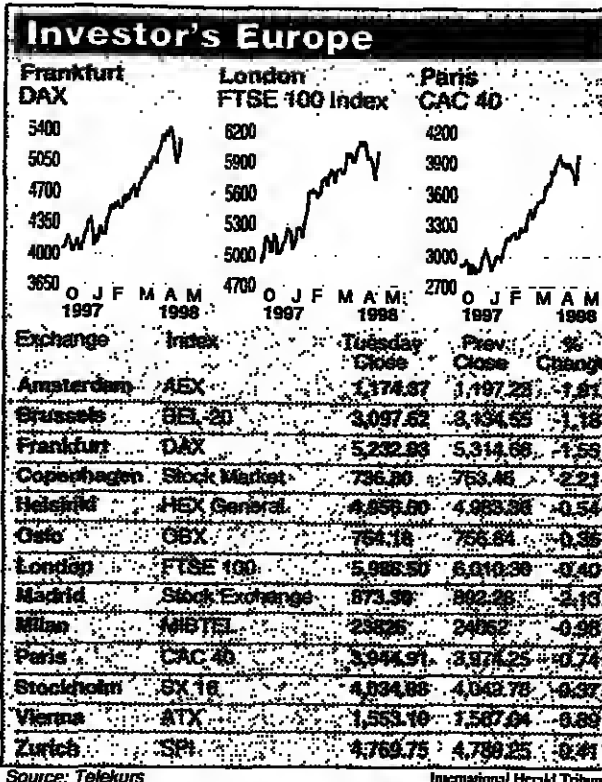
Mr. Waigel conceded Tuesday that Mr. Kohl had "certainly been damaged by this."

In his remarks, Mr. Tietmeyer took pains to find positive elements to the weekend agreement, saying: "Not everything that happened last weekend in Brussels contributed to the necessary expectation that the euro will be a really supranational and depoliticized currency."

In addition, Mr. Tietmeyer lauded the nomination of the Bundesbank's chief economist, Oskar Lafontaine, as Germany's nominee to the new bank's council.

Mr. Tietmeyer's fellow Bundesbank council members also accepted the Brussels compromise.

When asked what the bank could do now in response to the situation, Klaus-Dieter Kuehnbecker, a council member who had opposed the deal, said, "Nothing at all."



## AXA Bids to Take Over Rest of Belgian Insurer

PARIS — AXA SA, Europe's second-biggest insurer, offered Tuesday to buy the 52.2 percent of Royale Belge SA that it did not already own for about \$3.4 billion in cash and shares.

The acquisition would allow AXA to merge its own Belgian unit with Royale Belge, giving the French company 18 percent of the Belgian market, a share on a par with that of Fortis AG, a Belgian-Dutch bank and insurer. Belgium has the highest savings rate in Europe, making financial

## 3 States Top a List For Currency Risk

LONDON — New Zealand, Russia and Chile have the highest current risk of a currency slide of 10 percent or more, according to a J.P. Morgan & Co. ranking of 21 countries.

The currencies with the lowest short-term risk among the 21 are those of Greece, Taiwan and Malaysia, the investment bank said. Most countries in the list are in the Asia/Pacific region, Eastern Europe or Latin America. Morgan's Event Risk Indicator is designed to give a warning of a currency "crash," defined as a 10 percent fall within one month against one of the world's major currencies. It rated the likelihood of such a fall at 99.61 percent for the New Zealand dollar.

services a profitable market there. Groupe Bruxelles Lambert SA, the second-biggest shareholder in Royale Belge after AXA, said it would accept the offer.

"The operation makes great sense at a time when the insurance industry in the world and in Europe consolidates," said Danny Jacques, analyst with BNP Equities.

The introduction of a common currency in 11 European countries next year is expected to increase competition in national markets as it will make it easier for companies to sell financial products across national borders. That prospect has prompted a spate of takeovers in recent months as companies seek access to other markets.

For each three shares in Royale, AXA is offering five of its own shares plus 21.513 Belgian francs (\$395) and a certificate allowing for a cash payment if AXA shares are trading for less than 900 French francs (\$150) on July 31, 2001.

AXA's shares rose 3 French francs Tuesday to close at a record high of 734 francs, the highest of French stocks. Royale Belge shares fell 550 Belgian francs to close at 14,975.

The offer values Royale Belge at 14,792 francs a share. Herman Van der Loos, an analyst with Bank De Groef, said AXA's offer for Royale Belge would be worth 15,700 francs if AXA's shares rise to 900 French francs in two years. Such a price, only 4.8 percent above Royale Belge's closing price Tuesday, would be

## Swiss Bank Deal Is Cleared Early

BERN — Swiss Bank Corp. and Union Bank of Switzerland won government approval Tuesday for their \$3.3 billion merger by agreeing to sell some domestic units, and the banks said they expected to create Europe's largest bank in June.

UBS and SBC began integrating their European network after the European Commission approved the merger without conditions in March. Swiss approval had been expected, but the competition commission ruled a month before their deadline.

The two banks, which agreed to sell 35 of their 550 Swiss branches by March, will next eliminate 7,000 jobs at home, where they have a market share of about 30 percent.

UBS and SBC, which owns SBC Smith Warburg Dillon Read, are waiting for clearance from authorities in the United States, where Swiss banks have been accused of hoarding assets owed to Holocaust victims.

Optimism that SBC and UBS would soon integrate operations, buoyed by the early Swiss approval, helped UBS stock to finish up 2 francs at 2,545 (\$1,709). SBC was unchanged at 549.

likely to "disappoint" Royale Belge investors, he said.

To finance the bid, AXA said it would use 6.6 million of its own shares and issue 7.3 million new shares.

## VW's U.S. Sales Climbed 59% in April

WOLFSBURG, Germany. — Volkswagen AG said Tuesday its U.S. sales rose 59 percent in April from a year earlier, amid growing demand for its Passat, Cabrio and new Beetle models.

VW said sales rose to 20,562 units from 12,957 a year earlier, marking the German carmaker's best month in the United States since July 1987. Volkswagen said April sales were also lifted by the first full month of sales of its Beetle model. Its sales amounted to 4,870 units.

## DANES: Strike Leads to a Rate Rise

Continued from Page 1

higher interest rates in Europe could make U.S. Treasury securities less attractive.

The Danish government is eager to end the strike before Thursday, when campaigning begins for a referendum May 28 on the Amsterdam Treaty, which lays the groundwork for consolidating and enlarging the European Union. Danish voters rejected an earlier treaty on reforming the EU.

The opposition camp calling for a "no" vote in the referendum has gained ground because of hostility to the Schengen agreement opening Europe's borders.

The opposition received further encouragement because of the wheeling and dealing among leaders in Brussels last weekend over naming a president for the European Central Bank, the chief monetary authority in the single-currency area.

The leaders chose Wim Duisenberg of the Netherlands for the eight-year appointment only after he gave way to French conditions and agreed to retire halfway through the term to make way for France's central-bank governor, Jean-Claude Trichet.

Despite the attempts of politicians to convince the public that this was Mr. Duisenberg's intention all along, the way the deal was done cast a doubt on the central bank's independence from political meddling and caused an outcry in Germany and elsewhere.

Some analysts believe the Bundesbank will raise interest rates at its next meeting May 14, partly as a statement of its independence and partly as a general move to bring European rates in line leading up to the introduction of the single currency, which will begin in January.

Countries adopting the currency, the euro, will be subject to a single interest rate, set by the European Central Bank.

On Tuesday, the Spanish central bank lowered its benchmark interest rate by 25 basis points, to 4.25 percent. The Italian foreign minister, Lamberto Dini, indicated that his country would cut its benchmark discount rate, which stands at 5 percent. "There is no doubt we must head in that direction," he told the newspaper La Repubblica.

In Denmark, unions said the strike, which started April 27, could drag on for another week.

## Very briefly:

• Iberia Air Lines of Spain, which is headed for privatization next year, had a better-than-expected pretax profit of 112 million pesetas (\$739,000) for the first quarter, a turnaround from a loss of 6 billion pesetas a year earlier. Iberia attributed the return to profit to an increase in air traffic, more frequent services, lower financial costs and improved results from Latin America.

• Italy approved selling 12 percent of its shares in the energy company ENI SpA, lowering its stake to about 40 percent. The sale would bring about 11.9 trillion lire (\$6.8 billion) at current market prices.

• Bertelsmann AG and Kirch Group of Germany are expected to make further concessions to win European Commission clearance of their digital-television alliance, a commission official said.

• Russia plans to combine about 100 state-owned companies that make up the infrastructure of the radio and television industry to try to improve funding and management and possibly prepare the industry for privatization.

• Nera AS reported an unexpected pretax loss of 19.7 million Norwegian kroner (\$2.7 million) for the first quarter, partly because of a loss at its transmission-networks division. The telecommunications company had a profit of 26.4 million kroner a year earlier.

• British Petroleum Co.'s net profit fell 22 percent in the first quarter, to \$582 million (\$970 million), but the company said the effects of sharply lower oil prices were partly offset by improvements in downstream businesses.

• Vodafone Group PLC, a British mobile-phone operator, will slash off-peak charges for consumer calls by 50 percent, to 5 pence (8 cents) a minute, as of June 1.

AP, AFP, AFX, Bloomberg, Bridge News, Reuters

## Producer Prices Fall in 3 Countries

PARIS — Prices of factory-made components fell in France, Italy and Spain in March, data released Tuesday showed, suggesting inflation will remain subdued.

Prices of the goods, used to make finished products sold to consumers, fell 0.1 percent in March from February in all three countries.

Compared with a year earlier, the prices rose 0.3 percent in Spain, 0.5 percent in France and 0.9 percent in Italy.

## WORLD STOCK MARKETS

Tuesday, May 5

Prices in local currencies.

Tel Aviv

Amsterdam

ASEI index: 174.37

Previews: 117.10

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

ABN-AMRO

High Low Close Prev.

Frankfurt

DAX 5728.83

Previews: 5714.44

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

AMER

High Low Close Prev.

Jakarta

Composite index: 4331.16

Previews: 4344.99

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

Adia Int

High Low Close Prev.

Johannesburg

All Market Index: 8242.29

Previews: 8242.29

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group

ABSA Group







## ASIA/PACIFIC

## China Opens Market Wider for 8 Foreign Banks

SHANGHAI — The People's Bank of China has given permission to eight foreign banks to begin trading on the nationwide interbank market based in Shanghai, official media reported Tuesday, making it easier for the foreign banks to obtain local currency.

"This shows China's determination of opening to the outside has not changed," said Wang Qinhua, an official with the research department of the China Foreign Exchange Trade System, which manages the interbank market. "China does not think the Asian financial crisis should slow the pace of opening up."

The eight banks are Citibank of the United States, Credit Agricole Ind-

suez of France, British-owned Hongkong & Shanghai Banking Corp. and Standard Chartered Bank PLC, and Bank of Tokyo-Mitsubishi Ltd., Industrial Bank of Japan Ltd., Dai-ichi Kangyo Bank Ltd. and Sanwa Bank Ltd. of Japan. The Chinese-French joint venture International Bank of Paris & Shanghai, which was part of a pilot project involving nine foreign banks with branches in Shanghai's Pudong New Area, was not on the list.

Johnson Chang, senior deputy general manager of Paris & Shanghai, said the bank had turned down an invitation from China's central bank to apply because "our business scope does not call for it."

Foreign bankers have complained

that, while there was demand from their customers for loans in yuan, the banks were hampered by restrictions on their sources of funds. Most foreign banks have secondary membership on the interbank market, which requires them to conduct transactions through a funding market — to which they must pay a fee. Foreign bankers have also said that the second-tier market is plagued by poor liquidity and limited to the Shanghai area.

The eight banks will be elevated to first-tier membership, which allows them to deal directly with Chinese banks nationwide to get yuan. But they can borrow yuan only to meet short-term capital needs.

"This move is the most important

measure this year in the opening up of China's financial sector," a Chinese executive at a foreign bank said.

The participation of foreign banks in the interbank market will make it more lively, one banker said, and make interest rates more representative.

Foreign bankers said that while the opening of the interbank market would give them a means to raise profit margins on deposit funds, it would not help them expand loan portfolios.

"This decision is great from the surface — we've got something else to do," one foreign banker said. "But we need to know the details."

Officials of the Shanghai branch of the People's Bank of China said they could not elaborate. (AFP, Reuters)

## Thais Pin Hopes on Bank Chief

BANGKOK — Cham-mongkol Sornakul faces tough challenges as the new governor of the Bank of Thailand, an institution tarnished by its perceived mishandling of the country's financial crisis last year, analysts said Tuesday.

One of his key tasks will be proving his neutrality to markets skeptical of his close links to the ruling Democrat Party, analysts said. They added that he would have to carefully restructure the bank and increase the transparency of its operations.

"We heard he is a very capable man," said Irene Cheung, a Singapore-based economist for Canadian Imperial Bank of Commerce. "But it will help if he shows or demonstrates that he distances himself from politics."

Mr. Cham-mongkol, a former permanent secretary of finance, is to be nominated by Finance Minister Tarrin Nimmannaheminda at a cabinet meeting Wednesday to succeed Chaiyawat Wibulsawadi, who quit Monday.

Mr. Chaiyawat resigned after a government investigation linked him to policy mistakes. The inquiry's findings were leaked to the media.

Those close to Mr. Cham-mongkol say his political connections are unlikely to affect his neutrality. They say his integrity is impeccable.

But because he is not well known outside Thailand, his political leaning has become a point of focus in foreign analysts' assessments of him.

One foreign banker said confidence in Mr. Cham-mongkol "hinges on a perception that he can work independently and make a right decision on a number of issues free from political pressure. The interest-rate issue is one of them."

The central bank under Mr. Chaiyawat kept interest rates high to try to keep the baht stable despite the negative effects of high rates on businesses and complaints from politicians eager to relieve their constituents of high-priced loans.

Investor's Asia			
Exchange	Index	Tuesday Close	Prev. Close
Hong Kong Hang Seng	13000	10,153.56	10,439.42
Singapore Straits Times	2000	1,469.27	1,476.40
Tokyo Nikkei 225	17000	15,612.30	15,601.10
Kuala Lumpur Composite	6000	627.43	627.43
Bangkok SET	1000	490.71	490.71
Seoul Composite Index	3000	2,287.18	2,287.18
Taipei Stock Market Index	8000	8,360.60	8,360.60
Manila PSE	2000	435.15	435.15
Jakarta Composite Index	4000	2,287.69	2,287.69
Wellington NZSE-40	4000	4,147.29	4,147.29
Bombay Sensitive Index	10000	1,135.81	1,135.81

## Very briefly:

- Australia's 1,400 laid-off dockers were given back their jobs and told to report to work, but will work without pay for the first two weeks to enable their employer, Patrick Stevedores, to resume operations, a labor leader said.
- Hong Kong's Land Registry said the number of sale and purchase agreements received in April dropped 56.4 percent, reflecting a continuing decline in the property sector.
- Singapore Telecommunications Ltd. will pull out of Asia Pacific Mobile Telecommunications Satellite Pte.'s \$640 million satellite project, saying its other investments are "more than sufficient to meet our customers' needs."
- India's panel on banking reforms recommended cuts in government holdings in state-owned banks and the creation of a watchdog body for regulation and supervision.
- Chinese authorities raided a shop in Guangzhou in southern China that was calling itself China HMV to masquerade as a unit of the British music chain HMV Group, complete with its trademark pink and gray interior decor, according to Chinese news reports.
- The Asian Development Bank's vice president, Bong Suh Lee, warned that the worst was yet to come for the economies of South Korea, Indonesia and Thailand. "Unemployment in these countries will grow," Mr. Lee said. "Things will get worse before they get any better."
- PT London Sumatra Indonesia, one of Indonesia's largest palm-oil growers, said fourth-quarter profit rose 34 percent to 34.88 billion rupiah (\$4.3 million), though full-year earnings fell 5 percent, to 76.48 billion rupiah, as foreign-exchange charges rose after the collapse of the rupiah.
- The Japanese Securities Dealers Association said employment in the brokerage industry was down 41 percent from its peak reached in 1991 and was below 100,000 for the first time in 13 years, totaling 98,516 as of the end of March.
- Thailand's highly leveraged economy could slow a recovery there despite Bangkok's commitment to a strict program of reform under International Monetary Fund guidance, Standard & Poor's Corp. said.

## Seoul Rejects Funding Plans Of 12 Banks

SEOUL — Twelve South Korean banks have announced plans to raise new capital, but government officials dismissed the plans Tuesday as unrealistic, increasing the chances that several of the banks will have to close or sold.

The Banking Supervisory Authority said it would form a panel of six accounting firms with international affiliations and finish reviewing the plans by the end of June.

"Following the review, the banks will be ordered to carry out mergers, sell-offs or other options," Lee Byung Kyu, a director at the supervisory agency, was quoted as saying by the Korea Herald.

The authority divided the banks into two groups: banks with capital adequacy ratios of 6 percent to 8 percent at the end of 1997, under Bank for International Settlements standards, and those with weaker financial positions.

Those with better financial positions were Cho Hung Bank, Commercial Bank of Korea, Hani Bank, Korea Exchange Bank, Chung Chong Bank and Kyungki Bank. In the second group were Dong Hwa Bank, Dong Nam Bank, Dae Dong Bank, Peace Bank Korea, Kangwon Bank and Chungbuk Bank. Analysts and officials said the banks' plans, including sales, rights issues and bond issues, contained a lot of wishful thinking.

"The stock market is sinking these days, and restructuring is not going to be easy," J.Y. Park, an analyst with Samsung Securities Co., said.

## Creditors Try to Keep Australis on the Air

SYDNEY — Australis Media Ltd., a heavily indebted Australian pay-TV company, said Tuesday that receivers and managers had been appointed by creditors because it had failed to raise emergency funding. The receivers will try to keep the business running, a company spokesman said.

Last week, Telstra Corp., which owns the rival pay television network Foxtel Ltd. with News Corp., applied to an Australian court to have Australis declared bankrupt

on the basis that the company was insolvent.

If Australis is proved insolvent, it will lose its most valuable asset — a contract to supply movies from the Premium Movie Network to Foxtel.

The Premium Movie Network, which is made up of subsidiaries of four Hollywood studios, can terminate the agreement if it can prove that Australis has become insolvent. This year, the Premium Movie Network began an unsuccessful bid in Australia's courts to prove that Australis was insolvent.

The Premium Movie Network negotiated a distribution pact directly with Foxtel in February in case the accord with Australis falls through.

Australis was forced to the edge of collapse last year when regulators blocked a planned merger with Foxtel. Australis has been losing money since it won a pay-television license in the early 1990s.

Australis has about 105,000 subscribers, while Foxtel has more than 300,000 subscribers; Optus Communication Pty.'s Optus Vision has 180,000 subscribers.

## Vietnam Sticks to Target of 9% Growth Despite Drought and Region's Turmoil

HANOI — Vietnam is maintaining its target of 9 percent economic growth this year, the Communist Party chief said Tuesday, despite the skepticism of international financial institutions.

"We work for this year's target every day, even if there is some impact from the regional crisis and the drought in Vietnam," said General Le Kha Phieu, general-secretary of the Vietnam Communist Party.

The World Bank and the International Monetary Fund have warned in recent months that the goal was far too ambitious, but Vietnam, which said its economy grew 8.8 percent last year, has stuck to its plan.

"When necessary, we will make adjustments," General Phieu said. "We won't be rigid in affirming our target despite everything. But we are convinced about what we are doing, and the situation has not become such that we need to revise our target."

With Vietnam's growth having slowed since the start of 1998, many independent analysts have forecast its growth at 7 percent or even 5 percent.

Separately, Prime Minister Phan Van Khai proposed appointing a deputy prime minister to temporarily take control of the central bank, a source said. Mr. Khai said Deputy Prime Minister Nguyen Tan Dung could head the State Bank of Vietnam for as long as two years until a more suitable replacement was found, the source said.

Mr. Dung, 48, is a member of the Politburo and the most important of five deputy prime ministers. He oversees the economy. The acting central bank governor, Do Que Luong, has been in the post since October, when the previous governor was fired. Analysts have ascribed the delay in naming a permanent successor to disagreements within Vietnam's leadership. (AFP, Reuters)

## Malaysia Aims Fund At Women Investors

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad announced the creation Tuesday of a special mutual-fund program for women and urged Malaysians to pool their wealth to help the nation's economy recover.

"We should try to mobilize this wealth, assets and properties that we have, because we need the capital," Mr. Mahathir said, according to the official Bernama news agency.

The Amanah Saham Wanita mutual fund, managed by Hijrah Unit Trust Management Bhd., will consist of 400 million units at an initial cost of 50 sen (14 cents) a unit until May 24. The price will fluctuate thereafter according to market forces.

Hijrah said the fund was specifically designed to encourage the country's 8 million women to participate in the economy but was open to all citizens 18 years of age and older.

## INDONESIA: Protests in Cities

Continued from Page 1

many students take "economic reform" to mean eliminating the corruption, collusion and nepotism that have characterized Mr. Suharto's 32-year rule and are demanding that he step down.

"It's not a pure student protest anymore, because it involves ordinary people," Lieutenant Colonel Amrin Karim, a police officer, told The Associated Press. "There are thousands of angry people trying to burn houses. They are burning tires and turning over cars."

Indonesia's defense minister, General Wiranto, warned Monday that the military would take "stern measures" against protests that authorities believed could lead to anarchy. In many places, security forces have forcibly prevented students from taking their demonstrations off campus and into the streets, provoking violent clashes.

The unrest triggered selling in the financial markets. The benchmark Jakarta composite index fell 2.43 percent, to close at a 13-week low of 435.16 points. The dollar rose to 8,100 rupiah from 8,075 rupiah on Monday.

Other markets around the region also were affected. Hong Kong's Hang Seng index fell 2.75 percent, to close at 10,153.66 points, and share indexes in Singapore and Malaysia also showed losses.

## White House Urges Caution but Backs Reform

The United States cautioned Indonesia on its handling of demonstrators but urged it to continue with the IMF-mandated reforms, Agence France-Presse reported from Washington.

"We have been very critical of the Suharto regime for the handling of protests, and we've raised significant human-rights concerns about that," Michael McCurry, the White House spokesman, said.

The IMF approved the immediate release of nearly \$1 billion for Indonesia on Monday. Mr. McCurry warned, however, that those funds would be in "serious jeopardy" if Mr. Suharto did not meet his obligations to the IMF.

## HEIRS: It's Scions to the Fore

Continued from Page 13

executive, so not all of the relatives will land the coveted top job or even end up on the board.

Caroline Krug is one of the young elite on the way up. When she decided to give in to her father's wishes that she join the House of Krug, the family's 150-year-old Champagne dynasty based in Reims, France, she was put on a career path designed to expose her to all aspects of the business. After graduating from the European Business School in Oestrich-Winkel, Germany, in 1989, she worked at various companies in marketing and public relations before joining Krug in 1993, where she gained experience in everything from budget planning to wine blending.

Now, at 31, the sixth-generation wine maker and youngest relative in the business is head of marketing for the United States.

"When people meet us in the young generation, the first thing they think is, 'She has this job because it is her family,'" she said while sipping

her family's Champagne at a bar in New York during a recent business trip. "So you need, of course, to show you are better or that you are here because you are qualified for the job."

Yet there are still areas of the business that Miss Krug seems fuzzy on.

Ask her about her product's fermentation process and she defers to her father, Remi Krug, who heads the company but shuns the title chief executive. And ask him about what she brings to wine making, and he mentions her emotions.

She also gets credit for bringing "fresh blood and new eyes" to Krug, he said. For instance, to better capitalize on the market for consumers her age, she suggested a somewhat radical solution for a company that considers tradition as important as the grapes that go into its bubbly. Why not create a Champagne six-pack?

Her idea bespoke a beer mentality in a caviar culture; but the plan to "take Champagne off its pedestal" worked. The six-pack, which retails for \$350, became popular with young consumers.

DO YOU LIVE IN FRANCE?

• Subscribe and SAVE up to 60% off the cover price.

• Also available: PAY MONTHLY by easy, low cost, direct debit.

EARLY MORNING DELIVERY TO YOUR HOME OR OFFICE.

For more information about easy ordering and availability of hand delivery CALL our Subscriber Customer Service Department: TOLL FREE: 0800 4 446 7827 (0800 4 IHT SUBS) or Fax: 01 41 43 92 10. E-mail: subs@iht.com Internet: http://www.iht.com

PAYMENT BY MONTHLY DIRECT DEBIT

☐ YES, I'd like to subscribe and have my bank account debited monthly by FF162. Please start my subscription and send me a bank form to arrange my payment.

PAYMENT BY CHECK OR CREDIT CARD

☐ YES, I'd like to subscribe and pay for the following term:

☐ 12 months (+ 2 months free): FF1,950 (Savings off cover price: 46%)

☐ Special 2-month trial subscription: FF210 (Savings off cover price: 60%)

☐ My check is enclosed (payable to the IHT)

☐ Charge my: ☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ MasterCard ☐ Visa

Credit card charges will be made in French Francs at current exchange rates.

Card No.: \_\_\_\_\_ Exp.: \_\_\_\_\_

Signature: \_\_\_\_\_

Please start delivery and send invoice.

Family Name: \_\_\_\_\_

First Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Mailing Address: ☐ Home ☐ Business \_\_\_\_\_

City: \_\_\_\_\_ Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Your VAT No (Business orders only) (HTWAT No 747 320 211 25)

I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other

☐ I do not wish to receive information from other carefully screened companies

This offer expires on December 31, 1998 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to: Subscriptions Director, International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Fax: 01 41 43 92 10 E-Mail: subs@iht.com

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING: EUROPE, MIDDLE EAST & AFRICA Tel: +33 1 41 43 92 61 Fax: +33 1 41 43 92 10 THE AMERICAS Tel: (USA toll free) 1-800-982-2884 Fax: +1 212 755 8785 ASIA Tel: +852 29 22 11 71 Fax: +852 29 22 11 99



A Limited Number Of International Registrations Still Available.

www.worldcongress1998.org  
June 21-24, 1998  
George Mason University  
Fairfax County, Virginia USA  
Phone: 1-703-790-0304 or Fax: 1-703-893-1269  
email: jpoisant@worldcongress1998.org

When The Convergence Of Information Technology Meets Consumer Demand



The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

[illegible]

## (Continued)

[illegible]



For information on how to list your fund, fax Katy Hourl at (33-1) 41 43 92 12 or E-mail : [funds@iint.com](mailto:funds@iint.com)  
To receive free daily quotations for your funds by E-mail : [subscribe@e-funds@iint.com](mailto:subscribe@e-funds@iint.com)

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly; (j) - twice monthly.



**WORLD ROUNDUP**

**Becker Pondering**

**TENNIS** Boris Becker lost in straight sets to Magnus Gustafsson in the first round of the German Open in Hamburg on Tuesday but hinted he might yet make one final appearance at Wimbledon this year.

The 30-year-old was beaten, 7-5, 6-4, by the 27th-ranked Swede, but there was some consolation for German fans when Tommy Haas upset the Spanish 10th seed, Carlos Moya, 6-2, 7-5.

Becker, a three-time Wimbledon champion, acknowledged that he might make another attempt next month to win the grass court tournament.

Becker retired from Grand Slam tennis after being beaten by Pete Sampras in the quarterfinals at Wimbledon last year. "There is still a small chance I will play," Becker said.

**Key UEFA Cup Duel**

**SOCCER** The duel between the Inter Milan striker Ronaldo and the Lazio defender Alessandro Nesta could provide one of the keys Wednesday to the all-Italian UEFA Cup final at the Parc des Princes in Paris.

It is the first UEFA Cup final to be settled in a one-off match rather than over two legs.

Scotland's top 10 soccer clubs have broken away from the Scottish Football League, a move aimed at controlling television and sponsorship rights. The Scottish Football Association ratified the breakaway league Tuesday. The move is similar to one made in England six years ago when the top clubs split off from the three lower divisions to form the Premier League.

The Dutch star Jaap Stam became the world's most expensive defender Tuesday when he completed his transfer to Manchester United for a club record £10.75 million (\$17.9 million).

Hany Ramzy, an Egyptian player for the Bundesliga club Werder Bremen, could face charges for shooting the still-armed Nazi salute during a party, his club said Tuesday. Showing the salute is outlawed in Germany, and the public prosecutor's office is investigating the case.

**England Picks Stewart**

**CRICKET** Alec Stewart was appointed Tuesday to succeed Michael Atherton as England captain for the coming series against South Africa. Atherton resigned after a record 52 tests in charge of his country after England was defeated, 3-1, by the West Indies in March.

**A 2d Scot Shoots to No. 1**

**SNOKER** John Higgins, a Scot, has claimed snooker's top prize, beating Ken Doherty, the defender, by 18-12 in the final of the Embassy World Championship in Sheffield, England. It was a double celebration for Higgins, 22, as the victory saw him replace another Scot, Stephen Hendry, as World No. 1. He collected the winner's check of £220,000 (\$366,000).



A victorious John Higgins.

**Kersey Powers Sonics**

**Lakers Stumble to a 106-92 Loss in Opener**

**SEATTLE** — The Los Angeles Lakers' decision to let Jerome Kersey get away might turn out to haunt them.

Kersey, a key performer in the Seattle SuperSonics' first-round series victory over Minnesota, helped beat his old team Monday night. He was on the floor for the Sonics for 11 minutes in the

**NBA PLAYOFFS**

decisive fourth quarter, when they pulled away and beat the Lakers, 106-92, in the opener of the Western Conference semifinals.

"Jerome is the key right now," teammate Gary Payton said. "He's playing superb ball."

Playing in his 106th playoff game, Kersey, 35, had 12 points and seven rebounds in 23 minutes. In the final period, he had six points and four rebounds.

"He comes out and gives us a hustle effort that no one on our team matched," the Sonics' Vin Baker said. "And, really, no one on our team matched it."

Two of the other conference semifinal series were to begin Tuesday night. In the Eastern Conference, New York was at Indiana, while the Western Conference had San Antonio at Utah. The other Eastern Conference series resumes Wednesday night with Chicago, which holds a 1-0 lead, playing host to Charlotte.

Experience wins close playoff games, Kersey said. And the Lakers are the youngest team still alive in the playoffs. "We've been through a lot of fires, and know what to expect," he said. "Maybe we don't get as rattled as some of the younger players."

After the Lakers led, 82-80, with 2:56 gone in the final period, Seattle

outscored them, 26-10. Payton scored nine of his 25 points in the fourth quarter, while Detlef Schrempf had 6 of his 19.

The Lakers won 25 of their previous 29 games, including a 3-1 first-round victory over Portland, and were the favorites coming into the Seattle series because the Sonics struggled the second half of the season.

The Seattle coach, George Karl, said the Sonics had an advantage against the Lakers because they had to survive the scare of their lives against Minnesota. "I think the big thing is Game 4 and 5 got us to a demand mentality that the Lakers didn't get in their series," Karl said.

Payton played 43 minutes after playing the entire game — and scoring 29 points — in Game 5 against Minnesota on Saturday. He's averaging 42½ minutes and 25.8 points in six playoff games. There's still some petrol left in his tank, he said.

And the Sonics, now 4-1 against the Lakers this season, may have their Pacific Division opponent's number. "They sure don't want to fall behind 0-2," Karl said of Game 2.

The Lakers got 27 points and 11 rebounds from Shaquille O'Neal, but he was 5-for-12 from the free-throw line. Los Angeles was outscored by 15-2 from the free-throw line in the final period, and the Sonics had 11 3-pointers to the Lakers' five.

**Mutombo Top Defender Again**

Dikembe Mutombo of the Atlanta Hawks was selected Tuesday as the NBA's Defensive Player of the Year for a record third time. He got 39 of a possible 116 votes from a panel of sportswriters and broadcasters. The Sonics' Payton was second with 37 votes, and San Antonio's David Robinson was third with 10 votes.

**South African Rugby Dispute Jeopardizes Tri-Nations Play**

**SYDNEY** — Australian and New Zealand rugby-union officials fear the political battle between the South African government and the South African Rugby Football Union could force the cancellation of this year's Tri-Nations series.

Officials from the two rugby powers scheduled an emergency telephone conference on Tuesday to try to save the series. But the Australian Rugby Union chairman, Dick McGruher, said the conference call was canceled at the last minute to give the South Africans more time to sort out their own problems.

"We decided to cancel the teleconference to wait and see how things unfold," McGruher said. "It's a South African problem that we're confident they will be able to resolve and we wanted to allow them that opportunity before we get involved."

The South African union has found

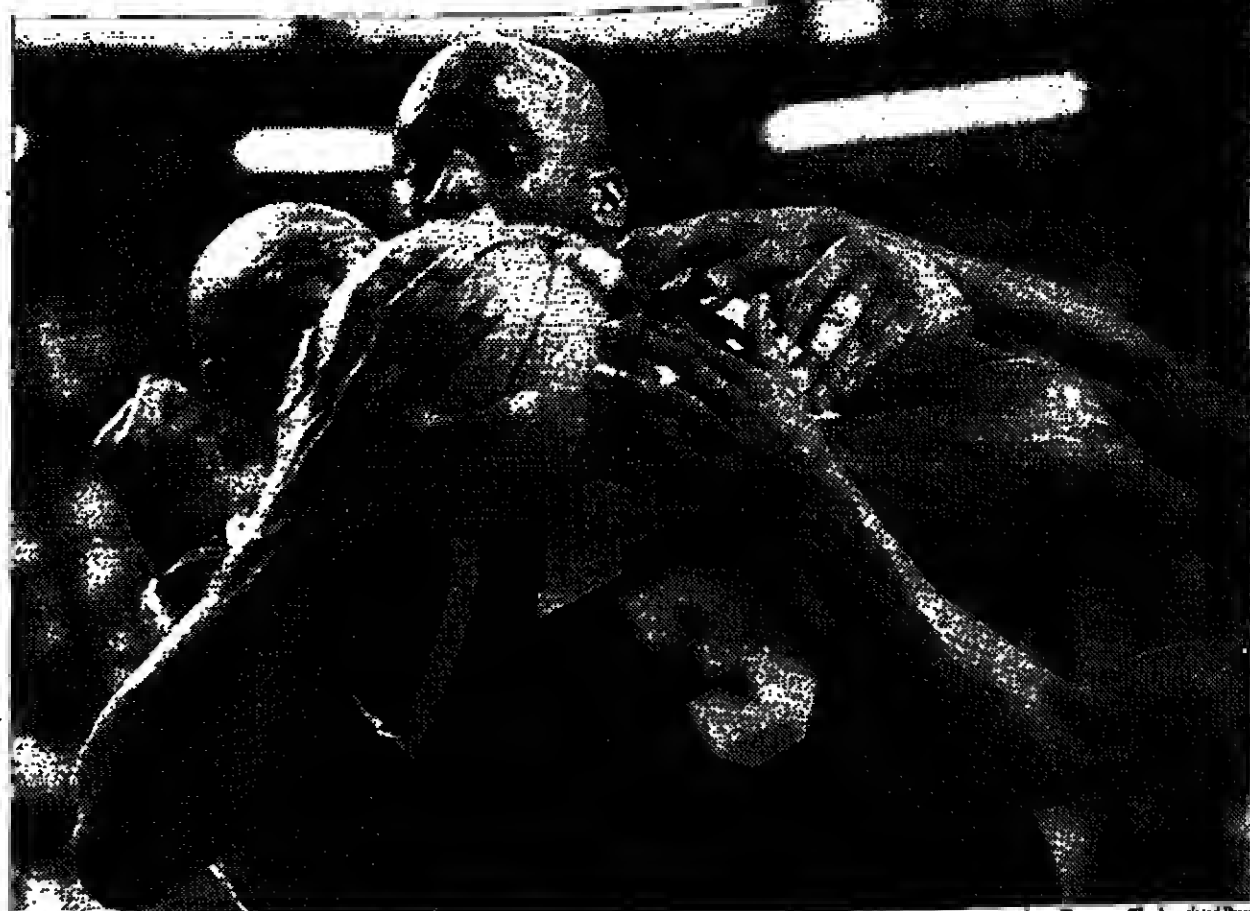
itself at the center of a political dispute after the government-backed National Sports Council accused it of failing to break down racial barriers in rugby.

There are no black players on the national team and only five non-whites among more than 100 players representing four regional teams in the Super-12 competition.

The National Sports Council president, Minkie George, has threatened to ban the Springboks from playing international matches this season unless the union boss, Louis Luyt, resigns by Thursday. Luyt has so far refused to comply.

**Leicester Won't Bark on Bite**

The Leicester rugby union club said Tuesday that it would not lodge a complaint against a Newcastle prop, Paul Van-Zandvliet, for allegedly biting the flanker Neil Back in a game played Monday. The Associated Press reported from Newcastle, England.



The Lakers' Shaquille O'Neal trying to break out of a thicket of SuperSonics arms in Game 1 of their semifinal.

**Bryant Battling Curse of His Potential**

Los Angeles Times Service

**SEATTLE** — The realization became apparent midway through the fourth quarter, with the next Michael Jordan sitting glumly by the bench. Maybe fans are expecting too much.

Maybe Kobe Bryant will one day be one of the guys out front as the Los Angeles Lakers hike through the prickly brush of the playoffs. But maybe that day is not now.

After the Lakers' 106-92 loss to the Seattle SuperSonics in Game 1 of the second round of the NBA playoffs on Monday night, maybe fans need to remind themselves of some things.

This is a guy who is 19 years old. He could be easily finishing his sophomore year in college instead of hanging out with the Lakers during important moments of an important playoff game.

With the score tied at 82 on Monday, the SuperSonics' Gary Payton stole the ball from Elden Campbell and flipped it to Greg Anthony, who missed a lay-up. But by then, there were already two other hustling SuperSonics around the rebound and scored to give Seattle a lead it never lost.

Bryant and Eddie Jones, meanwhile, never even crossed midcourt.

Moments later, with Jones wide open and expecting a pass, Bryant drove the lane and was surrounded by SuperSonics, yet threw up a shot that was blocked. Jones was visibly upset. Bryant waved his arms and said, "Chill."

Coach Del Harris was obviously thinking something else, because, within a minute, Bryant was benched. He plopped on the floor and remained there until the game was essentially over.

**Vantage Point / BILL PLASCHKE**

Sixteen minutes, four points, on one-of-five shooting.

Afterward, it was tough for the NBA's best smile to smile. Bryant dressed in the trainers' room, answered a couple of questions in front of a TV camera, and bustled out the door toward the team bus.

Thank goodness for autograph hounds. Bryant is still not jaded enough to ignore his fans, whose cries he heeded before boarding. When he stopped to sign, he was asked if he was frustrated.

"Probably," he said. He was asked why. "Because I'm still not able to take over the game," he said.

This was going to be the postseason in which Bryant was going to make everyone forget the four airballs he shot as a rookie in the final minutes of the Lakers' final playoff game last year, a second-round loss in Utah.

Yet, in three of five playoff games this spring, he has scored only four points. In another, he scored 22, but most of them came in the fourth quarter of a clinching blowout in Portland.

For only several minutes of the five games, in the fourth quarter of the opening victory against the Trail Blazers, he has made any significant impact. "I have to be patient," he said.

Nick Van Exel, who counseled Bryant on the sidelines after he was benched, said: "Hey, it's tough, the guy's been built up so high, there's nowhere to go but down. It's like, what do you do now? It's like, if he only scores two points in a game, he becomes a bad guy. It's not fair."

**Coach Harris admitted that "He didn't have a Kobe game tonight," he said. "But not everybody is going to have a good game every night."**

Increasingly, it seems as if the Lakers' attitude with Bryant is this: He is a blast to watch, and may one day be one of the greatest players in the game. Anything he does that can win a playoff game now is gravy.



Kobe Bryant attempting to block a pass by Gary Payton of the Sonics.

**Assistant Coaches' Court Victory: A 'Painful Lesson' for NCAA**

By Kirk Johnson  
New York Times Service

**NEW YORK** — In effect, a jury agreed with the contention of the college assistant coaches that the millions of dollars generated by college sports made any comparison to teaching History 101 misplaced.

That jury, a federal jury in Kansas, ordered the National Collegiate Athletic Association on Monday to pay more than \$22 million in back wages, penalties and legal fees to 1,900 college assistant coaches whose salaries were found to have been illegally restricted.

The amount, which was tripled to \$66 million under federal antitrust law, is by far the largest court assessment against the association, which regulates and administers major intercollegiate sports.

The verdict came after five years of often tortuous legal wrangling, in which

the coaches contended that a blanket rule imposed by the NCAA in 1992 to restrict the salaries of certain assistant coaches to \$12,000 for an academic year had stifled competition and deprived them of fair market wages.

The NCAA had likened the lower-tier assistant coaches to graduate student teaching assistants in history or math, who traditionally work long hours for low pay and valuable experience.

The NCAA, which said Monday that it was considering appealing the award, had established the salary limit for certain assistant coaches at the 300 major athletic programs that make up Division I college sports as a way of containing costs.

The coaches had sought \$30 million, basing their claim on estimates of what they would have earned in a fully open market. The \$12,000 cap, they said, often amounted to less than a third of what others who did similar work at

major universities were paid.

"We didn't want it to come to this," said Andy Greer, an assistant men's basketball coach at Northern Illinois University. "They made a mistake and they're learning a very painful lesson — that when people in your organization have concerns, you need to take some time and listen."

The NCAA has said the policy limiting salaries for the assistant coaches was lifted in 1995 after a U.S. District Court judge, Kathryn Vratil, ruled that the restrictions violated antitrust law.

The judgment Monday was the second major blow to the association this year. In March, the NCAA agreed to pay \$2.5 million to settle a long-running and highly publicized lawsuit by Jerry Tarkanian, the head basketball coach at Fresno State University, who had contended that the association had persecuted him in applying its rules.

The chief attorney for the association, Eliza Cole, said the judgment in the assistant coaches' suit would almost certainly be appealed. Ms. Cole said that financial reserves at the association, which is based in Kansas City, Missouri, were inadequate for the penalty assessed and that revenue payments to schools for sports programs would have to be reduced if the order stands.

Neither the coaches involved in the suit nor the NCAA said they expected any immediate impact from the ruling, either in back pay or in some diminished level of collegiate sports funding. Several of the coaches who sued said that their salaries had since risen to a level of parity with other assistant coaches.

The rule restricting salaries, approved by the NCAA's board at its national convention in 1991, took effect in August 1992. It was aimed at controlling costs, but also, the association said, at providing

a career ladder for beginning coaches. It cut the number of assistant coaches on Division I rosters to four from five and capped the salary of the No. 4 assistant.

The suit, while originally filed by a group of men's basketball coaches, was expanded when it became a class-action case to include assistant coaches in men's baseball and other sports. While the suit was on behalf of 1,900 coaches, hundreds of others could receive compensation under the award, lawyers said.

The jury, which calculated the monetary award after hearing testimony from economists from each side, awarded \$11.2 million to the basketball coaches and \$9.5 million to coaches in all the other sports — all tripled. The NCAA was also required to pay the legal fees and costs of the plaintiffs, which some attorneys said could total another \$5 million or more.

**SCOREBOARD**

BASEBALL					Chicago Medallions	
MAJOR LEAGUE STANDINGS					Norvina, Karchner 1B Watson, DFB	
AMERICAN LEAGUE					L-D-Lacrosse	
EAST DIVISION					HRS-Chicago	
W	L	Pct.	GB	Watson (2) 1B		
New York	20	6	.769	—	—	
Boston	20	9	.690	1 1/2	—	
Tampa Bay	16	14	.533	6	—	
Toronto	17	17	.500	7 1/2	—	
Seattle	12	18	.400	10	Outfield	
CENTRAL DIVISION					Mentgen, KL-Boston	
W	L	Pct.	GB	Taylor 1B		
Cleveland	17	12	.586	—	—	
Chicago	17	17	.500	3 1/2	—	
Chicago City	12	18	.400	5 1/2	—	
Minnesota	17	18	.500	4 1/2	1B, T. Ferris	
Detroit	7	20	.259	9	—	
WEST DIVISION					Cincinnati	
W	L	Pct.	GB	Montreal		
Texas	19	10	.655	—	—	
Anaheim	17	12	.587	2 1/2	—	
Oakland	14	16	.467	5 1/2	Forchuck 1B	
Seattle	14	16	.467	5 1/2	Telford 1B	
NATIONAL LEAGUE					W-Minches	
EAST DIVISION					Shaw 1B	
W	L	Pct.	GB	(S), Edu-Peoria		
Atlanta	17	12	.587	—	—	
New York	14	14	.500	5 1/2	Philadelphia	
Philadelphia	13	16	.447	7 1/2	Thompson	
Florida	11	20	.355	10 1/2	Winston 7B	
Montreal	10	19	.345	10 1/2	W-T 1B-Honolulu	
CENTRAL DIVISION					HRS-Chicago	
W	L	Pct.	GB	Kane 1B		
St. Louis	17	12	.587	—	—	
Chicago	16	14	.533	3 1/2	—	
St. Louis	17	15	.526	4	—	
Chicago	15	15	.500	4	Mama, DFB	
Pittsburgh	12	18	.400	7 1/2	Almond, LFB	
WEST DIVISION					S-Lightning	
W	L	Pct.	GB	Zelle (4) 1B		
San Diego	21	9	.700	—	San Francisco	
Los Angeles	16	14	.533	5 1/2	Florida	
San Francisco	16	15	.516	5 1/2	—	
Colorado	14	17	.452	7 1/2	D-4 (6), Pa	
Arizona	8	23	.258	13 1/2	2-4 L-L-Lo	

MONDAY LINESCORES			
AMERICAN LEAGUE			
Chicago	200	200	0-1
Atlanta	200	200	0-1
St. Louis	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-1
Arizona	200	200	0-1
San Diego	200	200	0-1
Los Angeles	200	200	0-1
San Francisco	200	200	0-1
Colorado	200	200	0-



Annan Rejects  
Accusation of  
Failing to Act  
On Rwanda

SPORTS

# Have Bats, Will Travel: Rockies Hit On the Road

**The Associated Press**  
The Colorado Rockies used to thrive at hitter-friendly Coors Field in Denver, but so far this year it's a team that likes to travel.

## BASEBALL ROUNDUP

road with an 11-2 victory Monday night over the Phillies in Philadelphia.

Contrasted with their 4-11 record at home, the Rockies' road record is noteworthy — especially considering their 146-88 record over the last three seasons at home and 97-137 on the road.

"I don't know how to explain it. I wish I knew," Baylor said. "We haven't hit a lot of home runs at home, or had a lot of double-digit run games there."

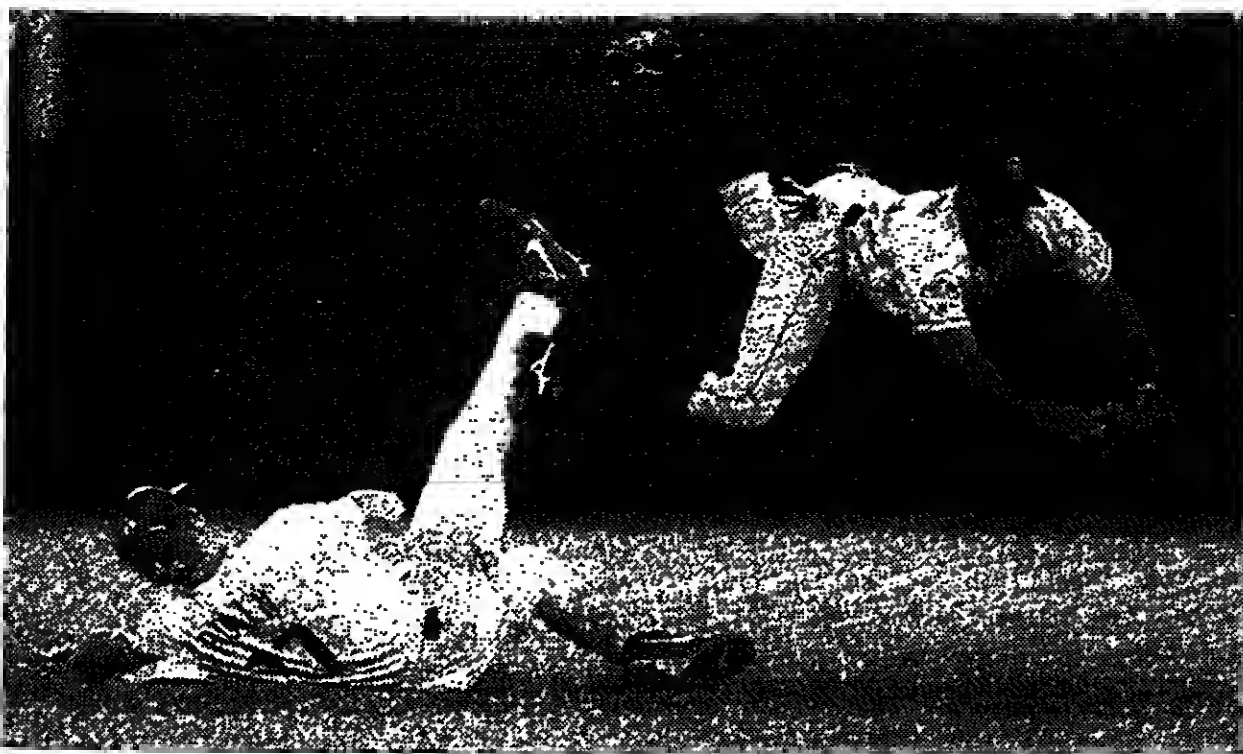
The Rockies did both against the Phillies. They hit two homers, including Vinny Castilla's league-leading 14th, and scored more than 10 runs for the fourth time this season.

They had some help from Philadelphia's starter, Garrett Stephenson, who was 2-6 as a rookie last year. Stephenson had another bad outing, and is rapidly pitching himself back to the minors.

The Rockies got seven runs in the 3 1/2 innings Stephenson lasted.

The Phillies did not get their first hit and run off Thomson (2-2) until the fourth, when Gregg Jefferies doubled and was singled home by Scott Rolen.

**Diamondbacks 4, Mets 2** — Bock Showalter, back in New York as a manager for the first time since leaving the Yankees, enjoyed his homecoming as



The Phillies' Scott Rolen making an acrobatic catch to complete a double play, upending Colorado's Nefti Perez.

his Arizona team broke a six-game losing streak, winning in 11 innings.

**Giants 8, Marlins 0** The smallest crowd in Florida's six-year history — 12,806 — saw Shawn Estes pitch a four-hitter for San Francisco. The start of the game was delayed by rain for 1 hour, 25 minutes. When the rain returned in the seventh inning, there were fewer than 1,000 fans left. Bill Mueller and Barry Bonds hit consecutive home runs, and Jeff Kent later hit a three-run homer as the Giants dropped the World Series champions to 11-20.

**Reds 4, Expos 1** Scott Winchester, a rookie, earned his first major-league pitching victory, giving up three hits in six innings in Montreal. Dmitri Young and Barry Larkin, in a 1-for-31 slump, batted in runs with doubles in the first inning for Cincinnati. Bret Boone and Eduardo Perez homered in the ninth.

**Braves 4, Dodgers 2** Kevin Millwood, 23, tied Tom Glavine for victories this

season by pitching Atlanta past visiting Los Angeles. Millwood (4-1) gave up four hits in eight innings. Keith Lockhart hit a leadoff homer for the Braves in the eighth against Hideo Nomo, tying it at 2. Later in the inning, Javy Lopez hit a two-run single.

**Padres 13, Brewers 5** Andy Sheets and Greg Vaughn homered and the Padres' pitcher Sterling Hitchcock hit a pair of RBI singles as San Diego roughed up Jose Mercedes in Milwaukee.

**In the American League:**

**White Sox 6, Angels 5** Magglio Ordonez, a rookie, hit a tying homer in the seventh inning and Ruben Sierra, a pinch hitter, had a two-run double in the eighth as Chicago rallied to win in Anaheim.

**Athletics 7, Blue Jays 4** In Oakland, California, Kenny Rogers won his fourth straight start and the Athletics took advantage of Pat Hentgen's wildness to beat Toronto. Jason Giambi and Scott Spiezo each drove in two runs in sup-

port of Rogers (5-1). Tony Fernandez and Ed Sprague homered for Toronto.

## Investigation of Belle Ends

An investigation into the gambling habits of the White Sox slugger Albert Belle has turned up no evidence that he bet on baseball or participated in any activity that should result in suspension, The Associated Press reported from Chicago, quoting a published report.

Bud Selig, the acting baseball commissioner, said Monday he has received the report, but he added that it was premature to comment, according to the Chicago Tribune. The report has been passed on to the league's lawyers and the players union.

Kevin Hallinan, baseball's executive director of security and management, spent 14 months investigating Belle after the player admitted to gambling losses in a deposition taken for a civil lawsuit that has since been settled.

# Oilers Oust Avalanche

## Behind Goalie, They Rally From 3-1 Down

**The Associated Press**  
DENVER — The Edmonton Oilers got it all: timely scoring, tough defense and another great job by their goalie, Curtis Joseph.

He recorded his second successive shutout Monday night as the seventh-seeded Oilers upset the second-seeded Colorado Avalanche, 4-0, in the decisive seventh game of their Stanley Cup playoff series.

The Oilers, becoming only the 14th team in National Hockey League history to rally from a 3-1 deficit and win a four-of-seven-game series, will meet

And they had great goaltending. Colorado's Patrick Roy, who failed in his third straight try for an NHL-record 100th playoff victory, had only 13 saves as the Oilers scored on four of their 17 shots.

Peter Forsberg and Sakic went scoreless for the third straight game.

Forsberg, who had six goals and five assists in the first four games of the series, did not put a shot on goal in the series finale. Sakic had only one shot.

Colorado failed to score on its last 18 power plays in the series.

"When you have a slump in the playoffs, it doesn't last very long," Colorado coach Marc Crawford said. "We had a chance to close it off and we didn't. We got into a situation where the other team was right on top of their game and we were really squeezing the stick. You can't play like that in the playoffs."

"We gave up timely goals throughout this series, and that's a compliment to the Oilers. Edmonton played great, they really did."

Edmonton took a 2-0 lead in the first period despite being outshot, 12-5, and having to kill off nearly eight penalty minutes.

The Oilers went ahead on defenseman Jannine Niinimaa's goal at 4:22 of the first.

It was the fifth goal of the series by an Edmonton defenseman; Colorado's defensemen had none.

Bill Guerin made it 2-0 with his sixth goal of the playoffs, beating Roy from the slot at 19:22.

The Avalanche were booed by the crowd after one particularly ineffective power play and again as they left the ice at the end of the period.

Todd Marchant made it 3-0 midway through the second period, scoring from outside the crease.

It was Edmonton's third goal on just 10 shots.

Mats Lindgren scored early in the third period on a breakaway, knocking to his own rebound at 1:45.



Curtis Joseph of the Oilers watching an Avalanche shot that he stopped.

# So Far, Grand Design for Diamondbacks Fails

By Murray Chass  
New York Times Service

**T**HE Arizona Diamondbacks and the Tampa Bay Devil Rays got such a big head start on the 1998 season, the prevailing thinking went, that they would not resemble your father's expansion teams.

The Diamondbacks especially would start out well ahead of the expansion game because they hired Buck Showalter as their manager 28 months before they would play their first game, and his input would send them off streaking from the starting blocks.

Five weeks into their first season, the Diamondbacks resemble your grandfather's expansion team — if your grandfather rooted for the 1962 New York Mets.

The 1962 Mets, the worst team of all time, won 40 games and lost 120 for a 250 winning percentage. The Diamondbacks improved their record to 8-23 by beating New York on Monday night, for a .258 percentage.

It's as if Showalter spent 28 months designing and manufacturing a revolutionary new automobile and produced the Edsel. It's as if he spent 28 months devising a new formula for a soft drink and unveiled the new Coke. It's as if he spent 28 months writing a Broadway

musical and produced "Capeman."

If a team were to play an entire season at the Diamondbacks' present rate of victories, it would have a 41-121 record.

"We didn't go into the year trying to judge the steps we've taken just through the record alone," Showalter said before the game. "Obviously that's easy to say now that we haven't got off to a good start record-wise."

If Showalter, last seen in New York wearing pinstripes in the Bronx, was embarrassed by his team's five-week performance so far, he did not show it.

"We just can't get the little things done that more battle-proven teams are able to do," the manager said. "That's been very frustrating as much for the players as it has been for me and the staff."

"There's a lot of frustration in the locker room. We've been close in a lot of ball games. We just can't get over the hump."

The Diamondbacks have lost six games by one run, five by two runs. But they are losses, nonetheless. They have already had losing streaks of five, seven and six. They share with the Mets the distinction of having the league's most inept offense, and the only worse pitching staff belongs to the Colorado Rockies.

The Diamondbacks' starting pitchers have only three winning decisions, none since April 16. Willie Blair, with a 0-6 record, has made an impressive start inward Roger Craig's 24-loss performance for the expansion Mets.

At a meeting with reporters, whose number was well below that anticipated for his New York homecoming, Showalter emphasized the long-term nature of the work-in-progress called the Diamondbacks.

"We'd like to win as soon as possible, but we don't want to do something that's going to sacrifice long-term success," Showalter said. "We don't want it to be a one-year thing. That would be a real depressing thought for me — that if we got into the playoffs in the third year or the fourth year and then never got back there for another seven or eight years — I would think we failed."

He mentioned the Rockies as an example he does not want to emulate. They reached the playoffs as the wild-card team in their third year, 1995, and have not been back.

"A lot of people at that time were talking about how much further along they were than the Marlins," he said of the 1997 World Series champions. "The Marlins have one of the top two or three strength-and-depth organizations in baseball."

Long-term planning is no "excuse to get our brains beat out this year," he said, but added, "I'm willing to bite the bullet and go through certain sacrifices to be where we want to be long-term."

Nevertheless, Showalter isn't ignoring the team's poor start. He took one step Monday night to make sure his coaches were not letting the start affect their view of their effort. He gave the coaches a pep talk. And the Diamondbacks responded with a rare victory.

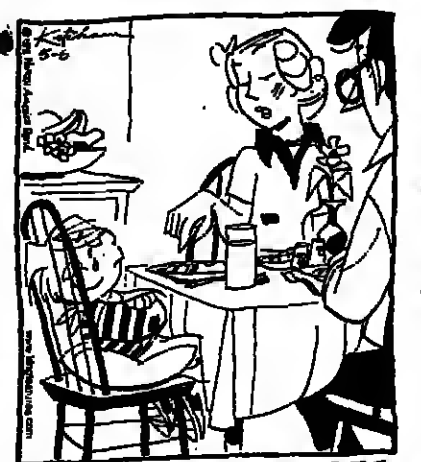
"You have to go through the tough times to appreciate the good times so much more," he said.

Win or lose, now or in the next few seasons, Showalter will deserve the credit or the blame. His hand has figured in virtually all of the Diamondbacks' planning. Scouting, drafting, free-agent signing, he did that or had input in it, but he did much more.

He designed a new type of warning track at the outfield wall for Bank One Ballpark, he had pinstripes put on the team's home and road uniforms, he had the "A" on the team caps made smaller, he designed part of the clubhouse and he wrote a conduct manual for players in the organization.

Now if he could only figure out how to win games and make a first-year team as respectable as the Diamondbacks had led people to believe they would be.

## DENNIS THE MENACE



YES, I'M SURE THERE ARE NO STARKING CARBOTS. NOW SIT UP AND EAT YOUR CARROTS.

## JUMBLE

Unscramble the letters to form the words. Use the clues to help you.

- FEASH
- LUKKS
- JITNEC
- ALFACI

Answer: IT WAS

Answers: DRAMA, BROOD, ALBINO, TONIQUE

Answers: Hounded on a horse-drawn cart, as depicted by the above cartoon.

Answers: IT WAS

Answers: DRAMA, BROOD, ALBINO, TONIQUE

Answers: Hounded on a horse-drawn cart, as depicted by the above cartoon.

Answers: IT WAS

Answers: DRAMA, BROOD, ALBINO, TONIQUE

Answers: Hounded on a horse-drawn cart, as depicted by the above cartoon.

Answers: IT WAS

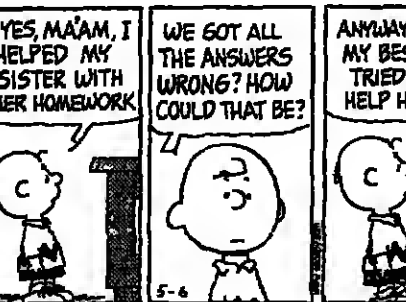
Answers: DRAMA, BROOD, ALBINO, TONIQUE

Answers: Hounded on a horse-drawn cart, as depicted by the above cartoon.

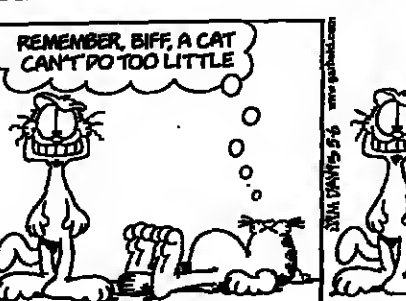
Answers: IT WAS

Answers: DRAMA, BROOD, ALBINO, TONIQUE

## PEANUTS



## GARFIELD



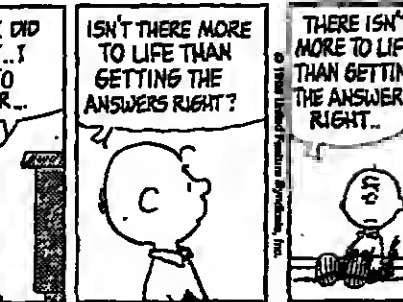
## BEEBLE BAILEY



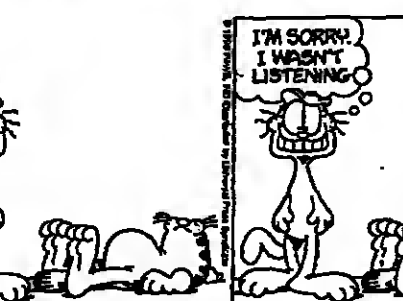
## BLONDIE



## CALVIN AND HOBBES



## WIZARD OF ID



## NON SEQUITUR



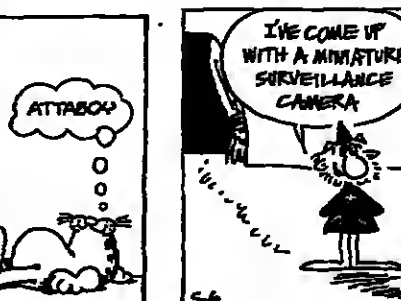
## DOONESBURY



## WIZARD OF ID



## NON SEQUITUR



## DOONESBURY



## DOONESBURY



©1997 Wiley Miller / dist. by Washington Post Writers Group

**RESIDENTIAL REAL ESTATE**  
Appears every Friday  
in The Intermarket.  
To advertise contact Nina Nirdi  
in our London office:  
Tel: +44 1 71 420 0325  
Fax: +44 1 71 420 0338  
or your nearest IFT office  
or representative.



## OBSERVER

## Vanished Elegance

By Russell Baker

WASHINGTON — It is midnight, maybe later, but time means nothing to me. I am under the spell of an old-movie channel. It is showing "San Francisco," a movie I have not seen since 1913, or whatever year that was when it first played the Capitol Theatre on West Baltimore Street.

All right, we are now at a witching hour in 1998, and kith and kin all around are headed off to bed, deaf to my pleas for someone to stay up and watch MGM's great San Francisco earthquake. Specifically, I want to be amazed again by what happens when Blackie Norton, bad boy of the Barbary Coast, is crushed under a falling brick wall.

Blackie, of course, is Clark Gable. He has a passion for Jeanette MacDonald, who is being courted by a snob from uptown, played by Jack Holt. Remember Jack's great performance in "Dirigible"? But let's not get tied up in details. I'm here to discuss men's fashion, not well-worn plots.

Gable and Holt are wearing absolutely splendid evening clothes when the earthquake gets under way. They are in white tie and tails that look as if they'd been sewn on by a platoon of the finest tailors in Savile Row. Remembering various white-tie rigs I have rented over the years now leaves me seething with Gable-Holt envy.

Anyhow, Blackie Norton, looking fantastically well groomed, is sulking about Jeanette's apparent preference for Jack Holt when — bold everything! — the world starts to move.

Even the manly Blackie Norton — Clark Gable, re-

member — knows that it would be overreaching for him to tangle with so much heaving geology. He is in exit process when an immense wall of bricks tilts and buries him in a cloud of mortar.

Even as a lad seeing "San Francisco" for the first time, I knew MGM was not going to let Clark Gable die. In those days every American boy understood, from hundreds of Saturday afternoons at the movies, that capitalism will always triumph over art.

How is Gable saved? Amazingly simple: He just stands up, shaking off bricks like a dog shaking off water, and goes about his business, which is to find Jeanette leading a choir rendition of "Nearer My God to Thee."

What's wonderful about Gable's rise from the brick pile is this: He still looks immaculate, except for a torn trouser leg.

Fine though the earthquake is, it is the beautiful tailoring of the men that impresses me. Even Spencer Tracy's priestly suit looks hand-stitched.

My question is: Why do modern movie stars dress so badly? Television's annual Academy Awards show turns out an assortment of male garb that looks like stuff from a hospital thrift shop.

There is the bizarre custom of wearing formal clothes without neckties. "Would it have killed you to wear a necktie?" David Letterman asked one performer a couple of years back, and he was not invited to return.

Come to think of it, though, American men of all careers and classes pretty much dress awful these days. We have won the Cold War but lost our taste for elegance.

New York Times Service

## Janis Joplin Live in the '90s: The Legend Endures

By Paul Hendrickson  
Washington Post Service

WASHINGTON — Can you picture James Dean, can you imagine Janis Joplin, grown old and wheezy and boring, trying to deliver clever patter on a late-night talk show? Horrid image. No, far better to have them in our minds now as smashed idols, as icons of their separate fiery moments.

You think of Janis Joplin, whose music is so redolent of the 1960s, and what comes to mind? A woman who could bellow and cry and stamp and then turn around and go achingly tender. Someone in whom there seemed so much need, which somehow she transformed to our need.

The Joplin legend — as "genius and junkie, rock diva and drunk," to quote her publicist and biographer, Myra Friedman, in her biography "Buried Alive" — was born long before her death in 1970 at age 27 of a heroin overdose.

In the last few years there have been as many as four movie projects in development, though now there are only two major contenders. "Piece of My Heart," with Courtney Love slated for the lead role, may start shooting in the fall. Somehow, she seems all wrong for the part. She's too tall. The blues vortex isn't deep enough. The other film project reportedly has Lili Taylor starring.

Todd Gitlin, author of "The Sixties," which may be the definitive work on that messy, ragged, hopeful decade, said of Joplin and the strange way she endures: "Listening to her is like being socked into a vortex. She goes deep. That deep throaty depth. I've listened to a lot of blues. Nobody sounds quite like Janis Joplin. I mean, Janis Joplin without the '60s would have still been Janis Joplin."

She was a pioneer, one of the early women in rock-and-roll to go out there big time in front of a band and hang it out alone. And the world keeps listening to the collected songs of Joplin. Next month

there will be a new Joplin CD in the stores: a previously unreleased live concert at Waterland in San Francisco in 1968 with her greatest band, Big Brother and the Holding Company. According to the press release, it's the "latest entry in the 'Live From the Vault' series of Columbia/Legacy."

This spring at the University of Texas in Austin there was a course in American Intellectual History, taught by a Pulitzer Prize-winning historian, titled "O Wild Ecstasy — Narcissism and Hedonism in Recent America." Admission was restricted to 12 graduate students. The high art and tormented life of Janis Joplin was in the syllabus, along with work by Andy Warhol, Norman Mailer, Tom Wolfe, Bret Easton Ellis and Christopher Lasch.

William Goetzmann who taught the course, says that America's continuing interest in her perhaps has to do with "resurrecting something of the poignant primitivism of her generation." In other words, she can get us quickly back. You listen to the songs and it all returns in bites. Goetzmann used to see Joplin throb the blues at a converted Gulf gas station on North Lamar Boulevard in Austin called Threadgill's. She sang there on Wednesdays for \$2 and all the Lone Star beer she could drink. This was in the early '60s, before anybody outside Texas had ever heard of her, before she lit out for California and eventual Haight-Asbury dreams.

Briefly, she'd been an art student at the university. She'd come up to the semi-bohemian college paradise — where there were 20,000 students — from her native seacoast ground of Port Arthur, Texas. In Port Arthur, she'd been a misfit: ever the right thing in a wrong place. She never really fit in at Austin, either, except with her fellow hippies — which was a word nobody had heard yet. Auson in the early '60s was a bohemia only by degree. The frat boys who ran the place orchestrated a cam-



Joplin performing in "Janis," a film about her life and career.

paign to get her named "Ugliest Man on Campus." They succeeded.

On "The Dick Cavett Show," she once said: "They laughed me out of class, out of town, out of the state."

That other self: It was always there, beneath the music, informing it. The other self wanted parental approval. The other self was surprisingly literate. The other self had this curious, fragile, little-girl quality. It had something ingenuely and middle-American about it. That the two selves were so impossibly in conflict is what the

made the art go, fueled all the destruction.

If you want to discover the other self, read the letters. They'll knock you flat. A bunch of them are in a 1992 book called "Love, Janis" by Laura Joplin, her younger sister, who lives in Denver and is raising a 12-year-old.

"Dear Mother and Dad, Haven't received any word from you yet but presume we're still speaking, so another letter. ... I've found a room in a rooming house. Very nice place w/a kitchen & a living room & even an iron & ironing board. ... Still working w/ Big Brother &

the Holding Co. & it's really fun. ... We rehearse every afternoon in a garage that's part of a loft an artist friend of theirs owns & people constantly drop in and listen — everyone seems very taken w/ my singing. ... Oh, I've collected more bizarre names of groups to send — (can you believe these?) The Grateful Dead, The Love, Jefferson Airplane, Quicksilver Messenger Service, The Leaves, The Grassroots. ... I'm still okay — don't worry. Something of a recluse. Haven't lost or gained any weight & my head's still fine. And am still really thinking of coming back to school, so don't give up on me yet. I love you all."

To read these letters to the family who lived in the neat, tree-shaded, pink-frame house in Port Arthur is to begin thinking about Joplin in an entirely different way. She is recommending books to her siblings (Tolkien's "The Hobbit"); talking about her "budget"; growing rhapsodic over her new dog, named Thurbur.

Laura Joplin speaks cautiously and protectively about the sister, who was older by six years. It's as if she feels no one really wants to bear her. On the phone, there is a certain small scratchy quality in her voice that instantly reminds you of the Joplin no longer here. "I think Janis represents the strength of women on their own. I think it has to do with strength, with independence. I look at Janis as a whole person. Drugs is not something we ever did together. I accept it. I accept all of it. I just can't connect with it." She adds: "I understand there's a lot of ambiguity about her."

Although California — and in particular San Francisco — is the place the world associates with her name, Texas, and especially Austin, is the better place to try and make contact with her ghost. Janis Joplin is of Texas. It's where she discovered her luogs, especially in and around the clubs of Auson. And, funny, all she ever wanted to do was get out of Texas.

## PEOPLE



The film director Spike Lee and his wife, Tonya, at the Scorsese tribute.

RECOGNIZING a directing career of big risks and bravura moments, the Film Society of Lincoln Center honored Martin Scorsese with a gala tribute. Robert De Niro, Joe Pesci, Winona Ryder and Ellen Burstyn were among the actors offering testimonials. De Niro got one of the biggest laughs when he joked that Scorsese was so open to his suggestions that he even let the actor audiodoo for "Koolhaas." Scorsese's film about the Dalai Lama, A slide showing De Niro with a shaved head and wearing monk's robes appeared on the screen above the stage.

You've seen the movie "Titanic." Now, stay away from the real thing, says RMS Titanic Inc. The company, which owns salvage rights to the legendary shipwreck, asked a U.S. federal judge to bar sightseers from getting too close to the site, two and a half miles below the North Atlantic's surface. RMS Titanic is seeking an injunction against Deep Ocean Expeditions Ltd., which has lined up 45 customers willing to pay \$32,500

each to visit the shipwreck in a three-man submersible vessel. The trips "could endanger our ability to continue to salvage the wreck in a historically and archaeologically responsible manner," said Mark Davis, a lawyer for RMS Titanic.

The singer-songwriter Carly Simon is undergoing chemotherapy in a battle with breast cancer, the Daily News in New York reported. "It takes some time to get used to the fear of having it," she told the newspaper. "But I've always thought of myself as being a warrior." Simon, who turns 53 next month, had a malignant tumor removed and is nearing the end of her chemotherapy treatments.

The actors Matt Damon and Edward Norton studied underground card sharks in New York for movie roles. Now they'll be tested on what they learned — for real. Damon and Norton are expected to participate in the final next week of the 29th annual World Series of Poker, which will be held in

Las Vegas. "They are both serious poker players," a tournament spokeswoman said. "They want to be treated just like everyone else."

A man whose marriage was hailed as

the longest in the United States has been buried in Niagara Falls, New York, a funeral home said. Paul Onesi, who died Thursday at age 101, is survived by Mary Onesi, his wife of 80 years, the Buffalo News reported. He was 21 and she was 13 when they married in 1917.

## Microsoft Chief Buys a Homer Seascope

New York Times Service

NEW YORK — Bill Gates, the chairman of Microsoft Corp., has paid more than \$30 million for the last major seascope by Winslow Homer left in private hands, setting what is by far the record price for an American painting, experts in the art world familiar with the transaction said.

The purchase effectively catapults American fine art into the same financial stratosphere as European paintings. The price for the seascope is nearly three times the record paid for an American painting, which was set two years ago when "Cashmere," by John Singer Sargent, sold for \$11.1 million at Sotheby's.

Neither Gates's art adviser nor the public relations company in Seattle that handles his affairs would confirm the purchase. But several experts in American paintings said that Gates bought "Lost on the Grand Banks" at a recent private sale shrouded in secrecy. The oil painting is a dramatic image from 1885 of two fishermen in a choppy sea peering over the side of their small boat.



(put on a happy face)

and use AT&T Direct™ Service. With the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language. All it takes is your AT&T Calling Card or credit card, and you're well on your way. So smile.

## Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers					
Austria	022-903-011	Greece	00-300-1311	Saudi Arabia	1-800-10
Belgium	0-890-100-10	Ireland	1-800-330-000	Spain	900-99-00-11
Czech Republic	00-42-500-101	Israel	1-800-94-94-949	Sweden	020-795-411
Egypt (Cairo)	010-0200	Italy	172-1011	Switzerland	0800-89-0011
France	0-800-99-0011	Netherlands	0800-022-0111	United Kingdom	0-800-39-0011
Germany	0130-0010	Russia (Moscow)	755-5042	United Kingdom	0-800-59-0011

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at: [www.att.com/traveler](http://www.att.com/traveler)



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Some countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. Pay phone deposit. Limited availability. Calling available to most countries. Public phones require local coin payment, during the call. "00" first, outside Cairo. Additional charges apply outside Moscow. C/U.S. U.K. access number in N. Ireland. 44 call does not complete, use 0800-013-0011. ©1998 AT&T

هنا من الأصل